



## **CONTRIBUTION OF THE THIRD SECTOR TO SOCIAL INCLUSION**

### **REPORT TO MINISTERS**

#### **Annexes**

- 1. Case Studies from study visits**
- 2. Definition of the Third Sector**
- 3. Size and Scope of the Third Sector in each  
Administration**
- 4. Funding Strategies for the Third Sector in each  
Administration**
- 5. Discussion paper from Cardiff Ministerial Summit**
- 6. Evidence Review Research Summary**
- 7. Policy Gateway Tool**
- 8. Current and Future Challenges**

**MARCH 2010**

## Annex 1

### CASE STUDIES FROM STUDY VISITS

#### Study visits took place as part of the following officials meetings

- i. Glasgow 15-16 January 2009
- ii. Guernsey 9-10 March 2009
- iii. Isle of Man 18-19 June 2009
- iv. Dublin 26-27 September 2009

1. Location: **Glasgow, Scotland**
2. Date: 15-16 January 2009
3. Organisations visited:
  - a) Govanhill Housing Association

<b>Name of Organisation/Partnership/Initiative:</b>
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Govanhill Housing Association

**URL:** [www.govanhillha.org](http://www.govanhillha.org)

<b>Description of what it does:</b>
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A Registered Social Landlord with charitable status operating in the Govanhill area of Glasgow on the south side of the city. A community controlled organisation with voluntary Committee/Board members drawn from the local community. The Association has 2 subsidiary companies – Govanhill Community Development Trust (GCDT) and GREAT Gardens - which allow it to undertake wider regeneration activities.

<b>Good practice points identified:</b>
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- Working in partnership with a range of public and third sector agencies & organisations, including: Glasgow City Council; Community Planning; SE Community Health & Care Partnership; Glasgow South East Regeneration Agency; South East Housing Associations Alliance; NHS; Langside College; Care Providers; Culture & Sport; Govanhill Baths Community Trust; Action for Children Scotland; Govanhill Settlement & Integration Network; Govanhill Community Law Centre; Govanhill & Crosshill Community Council.
- GREAT Gardens – new social enterprise company offering accredited training in gardening & ground maintenance.
- Provision of Commercial Offices & Workspace accommodation for small businesses (GCDT).

**Policy and journey of development issues identified:**

In 1974 Govanhill Housing Association was established as a community-based association managed by local people. From small beginnings, the Association, in conjunction with its subsidiary, Govanhill Community Development Trust, has become the major agency for regeneration in Govanhill.

**Key learning points:**

1. The support of local residents.
2. Partnership with other agencies
3. Utilising the social enterprise model as part of local regeneration

b) The Wise Group

**Name of Organisation/Partnership/Initiative:**

The Wise Group

**URL:** [www.thewisegroup.co.uk](http://www.thewisegroup.co.uk)

**Description of what it does:**

The Wise Group assists unemployed people into sustainable employment through innovative support, training and work experience programmes. Contributing to the sustainable development of communities through programmes that regenerate local environments.

By early 2008 the Wise Group had helped 25,000 people into work. They believe employment can be used to tackle inequality, poverty and disadvantage when provided in a supportive, caring and person-centred environment. In 2007 the Wise Group helped 3,653 people into work, their highest ever figure in a single year.

Their 420 staff support unemployed people from locations across Scotland and the North East of England find and keep a job and to provide regeneration and sustainability services for communities.

**Good practice points identified:**

- [Assign](#) - offers training opportunities to asylum seekers or refugees to improve social and employability skills
- [Call Centre](#) - provides a route to employment in the call centre industry
- [Employment Zone](#) - helps people that are long-term Job Seekers Allowance

claimants to find suitable and sustainable work

- [Employment Zone Lone Parent](#) - gives support to lone parents living in Glasgow to find suitable and sustainable employment
- [Into Work](#) - for those aged 18 to 24 and who have been unemployed and in receipt of benefit for six months or more, or an unemployed jobseeker aged 25 and over
- [In Work Support](#) - provides a free and confidential service to support people who are disabled, or who have a health condition, during the early stages of employment
- [Look Ahead](#) - helps those living in North Ayrshire and have experienced some form of mental ill health progress towards employment
- [Progress2Work Link-up](#) - helps those facing major barriers to employment for progress into employment and/or further education
- [Routes out of Prison](#) - helps ex-prisoners acquire the life, social and employment skills they need to rejoin society
- [Step Up](#) - provides in-work support to encourage Wise Group Training for Work clients that have been in work for more than 13 weeks to progress in the workplace
- [WorkAble](#) - supports those out of work due to ill health or disability get back into work
- [Working for Health](#) - a training programme that supports people before they start work and once in work

#### **Policy and journey of development issues identified:**

Since their beginnings as a small home insulation and training project in Glasgow in 1983, the Wise Group has developed into a dynamic social enterprise that works with partners to make a positive difference to the lives of individuals, the communities in which they live and the society to which they belong. They do this by increasing job opportunities for people, by contributing to the regeneration of communities, and by helping to create a fairer and greener society.

#### **Key learning points:**

1. They work in partnership with other organisations to deliver a range of support, training and work experience programmes.
2. An innovative multi – faceted approach to helping people into work, which recognises the wider benefits of employment.
3. Based on the social enterprise business model.

c) Unity Enterprise

**Name of Organisation/Partnership/Initiative:**

Unity Enterprise

**URL:** [www.unity-enterprise.com](http://www.unity-enterprise.com)

**Description of what it does:**

Unity Enterprise is committed to promoting the ability of people for full cultural, social and economic inclusion within their community. The focus for Unity Enterprise is people experiencing disabilities and/or disadvantages who are at the margins of their community. It provides:

- Travel Centre
- Carers Centres
- Catering
- Housing Support Services
- Corporate Entertainment
- Cafes
- Education & Learning
- Business Partnership support
- Independence options for people with learning difficulties

**Good practice points identified:**

- Two of Unity's training projects for young people and adults with learning or physical difficulties, give pre vocational work experience in the busy environments of a travel agency and café.
- Business Partnerships BAA Glasgow Airport. Unity Enterprise works in partnership with BAA Glasgow to provide training for young people through the passenger carer service at Glasgow Airport. The project is supported by Scottish Enterprise Glasgow Get Ready for Work and New Deal programmes. It helps young people, aged between 16-24, to move into jobs, often within the airport, further education, or college. The trainees work together to provide a passenger carer service at Glasgow Airport. The service provides additional support to wheelchair users and people with reduced mobility. Through this service the trainees gain training and work experience in dealing with a wide range of customers in a busy environment.

**Policy and journey of development issues identified:**

Unity Enterprise is a Scottish inter-church charity founded in 1989. Their vision was to become a leader in innovative and quality services on behalf of individuals and communities.

**Key learning points:**

1. Partnerships with the private sector to provide support into employment or further education.
2. A 'Person-Centred' approach is adopted and practiced as the culture of Unity Enterprise.

1. Location: **Guernsey**
2. Date: 9<sup>th</sup> March 2009
3. Organisations visited:

a) Visit to Drug Concern and two presentations on the Drug and Alcohol Strategy 1) from the Drug and Alcohol Strategy Co-ordinator and 2) from the Manager of Drug Concern, which is one of the third sector organisations involved with the Strategy.

**Name of Organisation/Partnership/Initiative:** Drug and Alcohol Strategy

URL: <http://www.gov.gg/ccm/policy-and-hr/billets--resolutions/2006/bllet-detat---xviii-2006.en>  
<http://www.drugconcern.org/index.htm>

Description of what it does:

The Bailiwick Drug and Alcohol Strategy takes a holistic approach and recognises that all areas of treatment, law enforcement and education are important to prevent increased demand leading to increased supply and resulting in increased need for treatment.

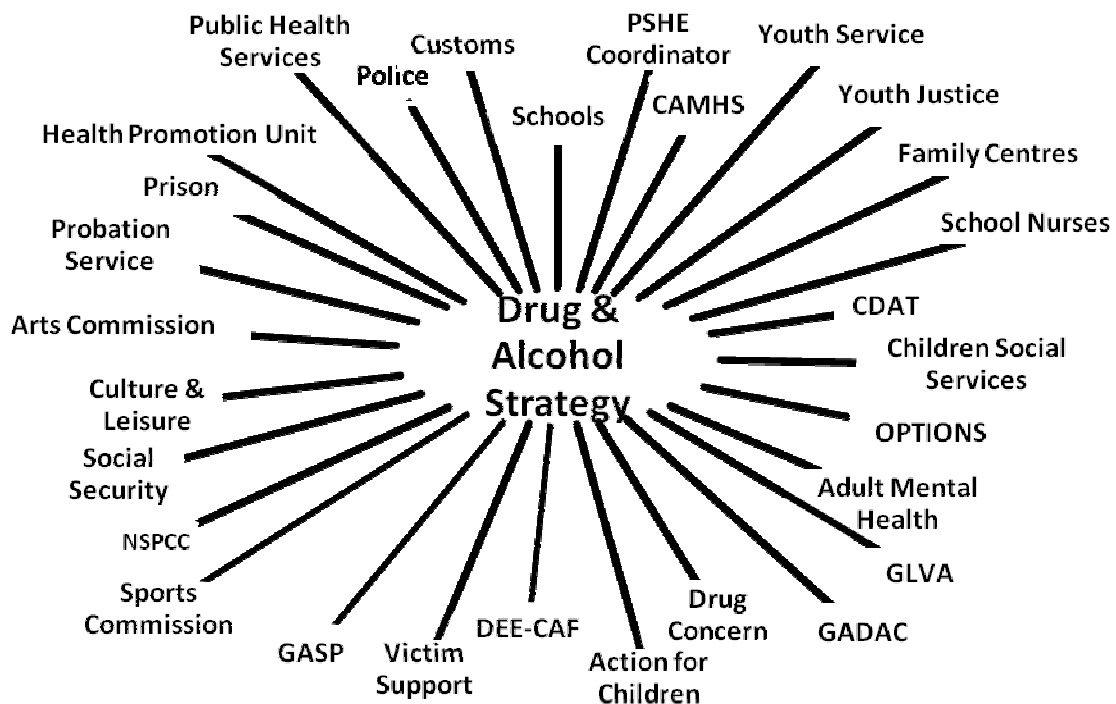
The main aim of the Strategy is *“to minimise the harm caused by drug and alcohol misuse by Bailiwick residents of all ages.”* The strategy has six pillars: -

- Demand Reduction
- Young People and Families
- Treatment
- Criminal Justice, Law Enforcement and Drug Supply Reduction
- Promoting Safe and Sensible Drinking
- Coordination and Monitoring

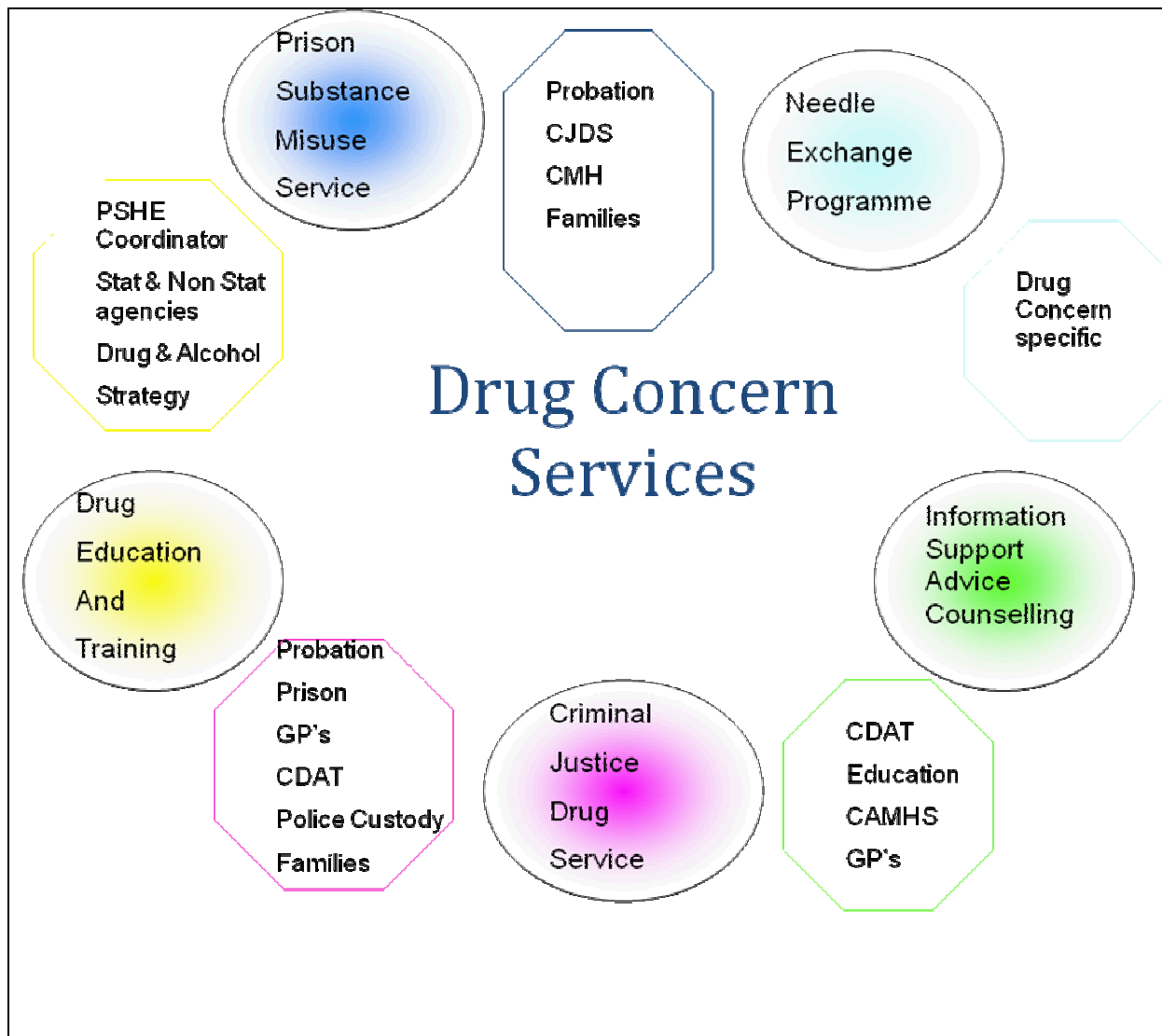
The underlying philosophy of the Strategy is that the major States Departments with responsibilities in these areas (traditionally Home, Education and Health and Social Services) will continue to provide necessary services within resource constraints. However, the Strategy itself adds: improved coordination between

States Departments, community-based initiatives, the voluntary sector and the public; additional services and cost effective solutions where this is justified by evidence-based research; plus a clearer focus on monitoring of outcomes and the collection of statistics.

The Strategy also benefits from very close partnership working with non-governmental organisations. Indeed, the Strategy provides a model for working with third sector organisations that is being adopted, by other strategies, e.g. the Domestic Abuse Strategy which, at the time of writing, is in draft form. Government and non-governmental organisations who are working together collaboratively on the Strategy include:



Drug Concern is one voluntary organisation, which is closely linked with the strategy. It is a charity involved in the delivery of services for those whose lives are affected by drug misuse within the Bailiwick of Guernsey, through education, information, support and counselling. The services provided by Drug Concern are detailed overleaf.



**Good practice points identified:**

BIC representatives thought that the Strategy came across as a strong partnership between the public and voluntary sectors as both parties were honest about both the positive, and the more difficult, issues the strategy has faced. There was shared ownership of the problem.

**Policy and journey of development issues identified:**

The presentations showed how the States of Guernsey is working with the voluntary sector in terms of service development on one particular area. The coordinator explained the strategy overall, how it came about, and the voluntary agencies involved. The manager for drug concern spoke about Drug Concern's role, what it does, how it participates in the action group each month, and some of the initiatives it has been involved in setting up for the strategy. Drug Concern has also recently moved into new premises on States property in the grounds of St. Julian's House. St Julian's House takes homeless local men and women. For many of the longer term residents, St Julian's becomes their home, offering respite and some rehabilitation. In other cases, it acts as emergency accommodation. The location facilitates joint working between St Julian's and Drug Concern and BIC representatives had a tour of



the premises.

The aim was to show how Drug Concern has contributed to the development of the Drug and Alcohol Strategy, and how the Strategy brings together voluntary agencies and the public sector in policy development.

**Key learning points:**

1. The partnership model led to a very wide diversity of drug and alcohol services being delivered for a relatively small Island of 60,000 people with a limited resource base. However, this meant that staff were spread quite thinly in terms of what they did.
2. The strong partnership had led to a shared ownership of the problem.
3. There was now a need to improve outcome measures.

1. Location: **ISLE OF MAN**
2. Date: 18<sup>th</sup> – 19<sup>th</sup> June 2009
3. Organisations visited:
  - a) Kingswood House, Douglas

**Name of Organisation/Partnership/Initiative:**

Multi-Agency Working Group on Homelessness

**URL:** [www.kemmyrk.im](http://www.kemmyrk.im)

**Description of what it does:**

The Multi-Agency Working Group on Homelessness is designed to respond to an identified need for homelessness prevention and for assisting those who may become or are homeless.

There are two prominent voluntary organisations that provide support for those who find themselves homeless. *Graih* describes itself as a Christian household which seeks to provide food, showers, clothes and overnight accommodation, mainly to over 25s as well as off-site visits to clients' own accommodation. *Kemmyrk* work with younger people and provide emergency, short-term accommodation (through the Nightstop scheme), intermediary opportunities, peer education and the management of a database that aims to quantify the scale of Manx homelessness. The Multi-Agency Working Group brings these two charities and other third sector players such as faith groups that play a role in dealing with homelessness including the Salvation Army and the Anglican Church, alongside representatives from Government departments including Health and Social Security, Home Affairs and Local Government and the Environment. This broad and inclusive approach aims to involve all areas of society that homelessness is related to in order to tackle the

issue in the best possible manner by means of stopping people becoming homeless before it happens and supporting those who are homeless and helping them find accommodation and long-term security.

**Good practice points identified:**

Homelessness is an issue which can touch, be caused and be prevented by many areas of society. The all-encompassing, collaborative approach of the Multi-Agency Working Group is the best means of tackling the issue whole-heartedly.

Both charities understand each other's roles and purposes and do not overlap or restrict the other from operating.

**Policy and journey of development issues identified:**

The opportunity to bring so many organisations together has highlighted the range of approaches, ways of thinking and working styles different organisations use. This should be an asset to partnership work yet has held this partnership back at times as not all partners have been able to move at the same pace.

A lack of Manx legislation relating to homelessness only adds to the confusion as to who should take responsibility and how services should be provided.

**Key learning points:**

1. The Working Group has shown the need for and the benefit of the full and committed involvement of all interested and affected parties from the outset or as soon as the benefit of their involvement has been identified. If an issue is to be tackled realistically, whole-heartedly and with the genuine aim to achieve a desired outcome, the knowledge and input of the people working directly with the target service users is essential.

2. The range of organisations involved has highlighted difficulties in difference of working styles. All partners must be treated equally and fairly and all partners must take the opportunity to learn from others. Statutory bodies must appreciate that third sector organisations often achieve aims much more quickly than statutory processes and conversely, Government operates within a different structure to that of third sector organisations. Everyone should be flexible in their approach to partnership working, being prepared to adapt to others' (often those closer to the ground) suggestions.

b) Corrin Court, Onchan

**Name of Organisation/Partnership/Initiative:**

Visual Impairment Partnership

**URL:** [www.mbws.org.im](http://www.mbws.org.im)

**Description of what it does:**

The Visual Impairment Partnership consists of a local and a national charity that assist those with impaired vision, who have combined with Government and others to improve service provision for visually impaired people on the Island.

The Manx Blind Welfare Society (MBWS), a Manx registered charity, has been offering services to blind and partially sighted Manx residents for almost 75 years and is independent of government, relying entirely on public donations and legacies to fund its operation. MBWS works closely with the Royal National Institute of Blind People (RNIB), within the same dedicated centre for the blind, Corrin Court, and relations are very good. The partnership has developed successfully over recent years with the inclusion of RNIB when it was recognised that more services for blind and visually impaired people were needed. It was agreed that MBWS would continue its social and welfare services while RNIB would be contracted by Government to provide rehabilitation and training services. Overtime, the partnership has sought to adapt to its service users' needs and expand where necessary. After researching what services visually impaired and blind people used, needed and wanted, more partners were introduced into the partnership including an Eye Clinic Liaison Officer who works with the local hospital in order to direct patients and potential service users to the help and support available from RNIB and MBWS. Similarly, a local optometrist was invited to join the partnership to bring more facilities under one roof and provide a more encompassing service, the ultimate aim being to provide people with assistance from all Government departments and organisations to meet clients' needs as seamlessly as possible.

**Good practice points identified:**

Key to the success of the partnership has been the realisation that the services provided through collaborative working are more important than who delivers them and individual success.

The members of the partnership are not afraid to adapt to developments and increase the work of the partnership in order to achieve the overall aim of providing good and thorough support for visually impaired people, in response to the clients' needs.

The introduction of a powerful UK-wide charity into a small community and its aligning alongside an already existing Manx charity has not had detrimental effects for either organisation due to the cooperative and planned working both parties have agreed upon, defining each others' roles but respectfully sharing resources where necessary.

**Policy and journey of development issues identified:**

At first, collaborative working between MBWS and RNIB was difficult due to mutual wariness and the wish to protect each own identity. With a change in personality in a position of leadership, the two have been able to come together much more closely and trust one another, working in an equal and open environment with a shared goal.

The newly constructed Corrin Court, a centre for blind and visually impaired people, is home to both charities and the services they offer. This close working environment has forced any problems the two organisations have had with each other to be faced up to and resolved quickly as they cannot be ignored or avoided.

**Key learning points:**

1. All parties must agree upon a shared overall goal and suspend any individual organisational or personal aims. Undertaking research and responding directly to services users' requests and opinions is the best way to know where to direct the partnership and what goals to aim for.
2. Sensitivity towards local and historical practices. RNIB would have the capability to run a large fundraising programme on the island but have agreed with MBWS not to as it would be another competitor for the already diminishing public purse. Instead, MBWS has agreed to give some of its money to RNIB with the requirement that the money stays on the island and not be redistributed throughout other RNIB operations in the UK. RNIB had to realise they had to integrate into working alongside MBWS not the other way around due to MBWS' long established presence on the island and RNIB's recent arrival.

c) Phillip Christian Centre, Peel

**Name of Organisation/Partnership/Initiative:**

Western Community Partnership

**Description of what it does:**

The Western Community Partnership is a forum which brings together many different community groups, organisations and institutions (statutory and private) and aims to maintain the sense of community in the West of the island centred upon Peel (the Isle of Man's main town in the West) and covering an area home to over 5000 people. The partnership developed from an Inter-Agency group which was present in the area for a number of years and is now a well established partnership meeting bimonthly bringing together a wide-range of people representing all aspects of community life such as the police, local schools, politicians and faith and community groups.

**Good practice points identified:**

The size and inclusivity of the partnership is testament to its success. As collaborative working within the community has increased, more organisations have joined the partnership enabling it to offer more services and achieve its aim of maintaining the West's sense of community. An example of its growth is in the use of the Phillip Christian centre, a community building with various rooms and facilities which may be hired-out and has seen its popularity with many different organisations in the West increase dramatically.

The flexibility of the partnership's makeup allows certain members of the group to work together in a more focused style, taking the lead on a particular project they feel is important and carrying it out themselves. In this respect, the partnership is more of an opportunity to bring sections of the community together to discuss topics and learn from each other rather than a force to achieve specific goals. This fosters good personal relationships and connections with people across the island, maximising the possibility of sharing knowledge and resources.

A successful project was the 'Peel Celebration', an exhibition which brought together organisations and private businesses based in the West and celebrated the services they offer. This worked well because numerous organisations got involved committing time and resources because they could see the benefits it offered them and how it would contribute to the overall aim of the partnership of maintaining the sense of community. It also provided an opportunity for partnership members to reflect on their achievements and the success their efforts have produced.

**Policy and journey of development issues identified:**

The involvement of many organisations does sometimes make cooperative work difficult. Smaller organisations are often wary of other organisations and some groups are keen for their name to be 'seen'. Member organisations and individuals may have their own agendas not shared by the whole partnership which often leads to a time-consuming, convoluted process for some projects.

**Key learning points:**

1. By bringing together the wide range of community organisations, the partnership is making success all the more likely. If only through meeting new people and the network advantages this creates and providing a forum for discussion, the partnership helps the community in the West and is a tool for other communities to benefit directly from and to learn from.

2. A flexible approach allows organisations to maintain the sense of independence that many, particularly small, organisations feel they lose in partnership work. The trust and respect for one another allows for smaller groups to work together.

d) Live at Home and Befriending Schemes

**Name of Organisation/Partnership/Initiative:**

Live at Home and Befriending Schemes

**URL:** [www.mha.org.uk/NorthWest.aspx](http://www.mha.org.uk/NorthWest.aspx)

**Description of what it does:**

*Isle of Man Live at Home* and *Southern Befrienders* offer befriending services, coffee mornings and other social and welfare services for elderly members of the community and aim to prevent loneliness and encourage community involvement of the elderly.

There are currently five befriending schemes based around the island with a further three in the process of being established. Four are run by *Isle of Man Live at Home* and one by *Southern Befrienders*.

*Isle of Man Live at Home* is part of the UK-wide organisation, *Methodist Homes for the Aged (MHA)*, while *Southern Befrienders* is an independent local charity. Both organisations receive grants from the government which contribute towards the provision of the services they offer but government funding is based on a matched-basis, so the rest of their funds are raised through fundraising and public donations which emphasises their independence and community ownership.

**Good practice points identified:**

The grants the organisations receive are in the form of multi-year grants meaning they will receive an agreed amount of money each year over three years on condition they meet agreed targets and levels of working. This helps the organisations plan and gains some long-term security for their projects and ultimately, the charity's existence.

The different organisations work very well together and have good relations with statutory bodies. Working with Government bodies such as Social Services, each party feels confident Government is aware of the work they do and treat them fairly and cooperatively. Mutual referrals and observing each other's work makes all parties understand the types and importance of services they offer and forms good working relationships and network advantages.

Live at Home was recently nominated for a prestigious government award for charity work on the island and this encouraged everyone involved with the organisation, giving them confidence in what they are doing and enthusing them to continue.

**Policy and journey of development issues identified:**

Both charities have identified areas where they envisage expansion and development and are keen to achieve this yet in this respect, while government is very pleased with and grateful for the services the charities offer, it has not been in a position to respond with increased funding and has only been able to support and maintain current service provision rather than invest further and see the charities develop and grow.

While the multi-year grants are very successful, if the charities are relying on Government funding for any new projects or services that they wish to offer, these can be delayed or not carried through if they were not accounted for in the initial budgeting process. This then places a greater emphasis on forward planning and obtaining public funding which is beneficial to all parties.

**Key learning points:**

1. The importance of praise and reward should not be underestimated. By taking time to reflect upon one's work and progress, not only can mistakes be identified and remedied for the future, but success and achievements can be celebrated. If this is acknowledged by government, third sector organisations feel a sense of approval and thanks from people who rely on them, encouraging them to continue. Similarly, if an organisation is seemingly ignored and their work not recognised, staff and volunteers can become disenfranchised and feel taken for granted which can negatively affect the way in which the organisation works in the form of reduced services and a reduction in staff.

2. Key personalities are important in partnerships. People should be able to trust one another and feel a shared commitment to the cause. Enthusiasm and passion for what you are doing and an optimistic approach makes joint working more enjoyable, simpler and easier and fosters good working relationships which enable individual organisations to benefit both in and outside the partnership.

## **Annex 2**

### **Definition of the Third Sector**

#### **THE THIRD SECTOR DRAFT DEFINITIONS AS DISCUSSED AND AGREED BY THE OFFICERS OF THE EIGHT JURISDICTIONS IN GLASGOW ON 15 & 16<sup>TH</sup> JANUARY 2009**

#### **What distinguishes the third Sector from other sectors?**

3<sup>rd</sup> Sector organisations:

- are independent organisations with their own aims, cultures, values, method of operating, and governance arrangements
- are independent from and able to constructively criticize and lobby governments in the interests of their members/target groups
- are established voluntarily by concerned citizens who choose to organise in order to get things done
- have social, cultural or environmental objectives based on values and principles which determine their purpose and goals
- are driven and motivated by the desire to improve and change how things currently are
- reinvest surpluses in the organisation in order to pursue their aims, rather than seeing them as profits
- promote the interests of particular communities either geographical or communities of interest.

#### **What are the components of the Third Sector?**

**Includes:**

- Voluntary Organisations
- Community Associations
- Self-Help Groups
- Service User Networks
- Carers Networks
- Faith based Organisations
- Housing Associations
- Lobby, Campaign and Advocacy Groups
- Co-operatives
- Social Enterprises



- Social Firms and Supported Businesses
- Mutual Associations
- Charitable Trusts & Foundations
- Development Trusts and Credit Unions

**Excludes:**

- Private for profit commercial businesses
- Public sector/governmental/statutory bodies

**What institutional legal and financial form do they take?**

- Registered Charities
- Companies limited by guarantee
- Community Interest Companies
- Industrial & Provident Societies
- Charitable and Incorporated Organisations
- Unincorporated Associations and networks
- Other Benevolent Bodies

**Our Shared Understanding:**

The third sector consists of the diverse range of organisations, which are neither public governmental bodies nor private commercial businesses that provide services to deliver activities for, are established by, and promote the interests of citizens.

Third sector organisations operate independently in pursuit of objectives that serve to enhance the quality of life of the community based on altruistic principles. Although they may make and reinvest profits, and/or fulfil statutory obligations, this is not their primary motivation.

N.B. Some jurisdictions already have their own definition which it is not proposed we change. The above is a statement which all jurisdictions' representative officers felt they could agree as a shared understanding (rather than a final definition) of the phenomenon of the third sector

## Annex 3

### Size and Scope of the Third Sector in each Administration

#### Summary information and tables

The following tables provide a comprehensive overview of the scope, size and contribution of the third sector across all the individual Administrations.

Information across Administrations is not complete or necessarily comparable, as data have been drawn from different sources using a variety of measures. For example, the figures on the proportions of the population volunteering vary significantly between Administrations, with some counting those volunteering in the previous four weeks and others in the previous year. Similarly, there are differences in how third sector organisations (TSOs) are counted.

However, it does provide a very valuable basis for understanding the potential contribution of the sector to social inclusion despite the different scales and sizes of the sector.

#### England

Number of Reg. Charities	Total TSOs	Income generated by sector	Number of volunteers	% of pop that volunteer	Number of TSO employees	% employed in TSOs
134,832*		£33bn*		27%**	611,000	

\* Across the UK

\*\* Percentage volunteering formally at least once a month

#### Guernsey

Number of Reg. Charities	Total TSOs	Income generated by sector	Number of volunteers	% of pop that volunteer	Number of TSO employees	% employed in TSOs
299	299+106				274 (non profit sector)	0.9%

At November 2008 there were 255 member of the Association of Guernsey Charities. This has since increased to 260. The new requirement to register with Income Tax suggests that a few charitable organisations are not registered with the Association - as at December 2009, Income Tax had 299 charities registered, as outlined in the main body of the report.

#### Ireland

Number Non-profit	Income generated by sector	Number of volunteers	% of pop that volunteer	Number of TSO employees	% employed in TSOs
25,000*	€9bn*		23.1%	63,000	

\* This also includes non-state hospitals and education providers, although the majority are TSOs. State funding accounts for 60% of total income. A recent Charities Act will provide for formal charity registration in the future.

## Isle of Man

Number Reg. Charities	Total TSOs	Income generated by sector	Number of volunteers	% of pop that volunteer	Number of TSO employees	% employed in TSOs
1,100	1,700+*	£40m+**	7,000+	8.75%	900	2.25%

\* Combination of registered charities and voluntary and community groups. Need to confirm this is correct.

\*\* £17m from Government; £23m from public and charitable

## Jersey<sup>1</sup>

Number Reg. Charities	Total TSOs	Income generated by sector	Number of volunteers	% of pop that volunteer	Number of TSO employees	% employed in TSOs
200+				30%*		

\* % doing voluntary work in the past four weeks

## Northern Ireland

Number Reg. Charities	Total TSOs	Income generated by sector	Number of volunteers	% of pop that volunteer	Number of TSO employees	% employed in TSOs
*	4,700	£570.1m	87,723	5%	26,737	1.5%

\* Charities register being set up.

## Scotland

Number of Reg. Charities	Total TSOs	Income generated by sector	Number of volunteers	% of pop that volunteer	Number of TSO employees	% employed in TSOs
23,344*	45,000	£3.2bn**	1.2m	23.5%	130,000	5.3%***

Source: Scottish Council for Voluntary Organisations (SCVO)

\* Source: Office of the Scottish Charity Regulator (OSCR)

\*\* £93.6m is provided by Government over three years, 2008-2011; this doesn't include other direct Government funding across thematic areas e.g. education, health, or local government funding to TSO's. Also SCVO estimate up to £4.1bn.

\*\*\* Proportion of total working age population, 2007

## Wales

Number of Reg. Charities	Total TSOs	Income generated by sector	Number of volunteers	% of pop that volunteer	Number of TSO employees	% employed in TSOs
7,500*	30,000	£3bn+ **	1.5m +	77%***	46,000	2.2%

\* Author's estimate based on evidence in Third Dimension report.

\*\* 2003 estimate. Government provides 31% of total income.

\*\*\* Includes formal or informal volunteering

<sup>1</sup> Some of the information requested in the data collection table is not available in Jersey. Despite the new Non-Profit Organisations (Jersey) Law, 2008, many charities fall outside of the provisions of this Law and have no need to register. Whilst the Government investigates the formation of a Charities Commission, there is no global information on the voluntary and charitable sector available, such as total number, income generated etc. Further investigations are being made about manpower and direct government funding.

## Annex 4

### British Irish Council: Funding Models

Part A below contains examples of funding models in place in BIC Administrations

Part B examines policy approaches in relation to the funding models

#### *Part A*

<b>Programme Funded</b>	<b>Value</b>	<b>Financial product</b>	<b>Multi Annual?</b>	<b>Programme Aim</b>	<b>Short Explanation/Comment on Funding Model Used</b>
		e.g. loan, grant			
Scottish Investment Fund	£30M	Non-repayable investment /loan and other repayable finance		Fund will help established third sector organisations which are investment ready to secure a transformational step change in their capacity, capability and financial sustainability.	As we wish to see the fund develop into a long-term recycling fund we envisage approximately 50% will be used for loan and other repayable finance. This applies across the fund as a whole and not necessarily individual cases. However, given the nature of the organisations we expect to invest in, we consider most funding packages from the fund would be limited to 50% of the overall funding package being non repayable. Any repaid capital and interest from investments will be returned to the fund and re-invested.

Third Sector Enterprise and Credit Union Fund	£12M (€250K of which for credit unions)	Grant	Closed for new applications on 13 November 2009	The Scottish Government has invested £12 million in the Third Sector Enterprise Fund to help the third sector to contribute towards Scotland's success. The Fund aims to help established third sector organisations to become more sustainable and increase their capacity and capability	<p>We expect organisations who apply to the Third Sector Enterprise Fund to be at an earlier stage of enterprise development than applicants to the Scottish Investment Fund. The fund offers awards of between £25,000 to £100,000 to third sector organisations who can demonstrate how they intend to make transformational step changes to their capacity, capability and sustainability.</p> <p>The Credit Union Fund will offer established Scottish Credit Unions between £2,500 and £25,000 to build their capacity, capability and financial sustainability.</p>
Resilience Fund	(£1.7M of which for Resilience Fund)	Grant	Closed for applications on 4th December 2009.	For third sector organisations providing front line services that have been affected by the recession, through either seeing an increased demand for their services or experiencing cash flow difficulties	Fund increased to £2.2m to allow all approved applications to be funded

Social Entrepreneurs Fund	£1M	Grant	Fund open until March 2011	The £1 million Social Entrepreneurs Fund is aimed at individuals who want to set-up and run a business with a social and/or environmental purpose. The fund will provide financial and business support to help get new enterprises off the ground.	A total of £1m will be invested in 2009/11 - £500k in each year. Funding will be available at 1 of 3 levels as appropriate, with awards being made between £500 and £20,000 depending on how well developed an individual's idea is. We envisage making around 200 awards over the period 2009-2011, combined with business support to embed good business practice from the very start.
Enterprising Third Sector Action Plan	£8.75M	Grants/ tendered contracts		To support a range of activity around e.g. opening markets to an enterprising third sector, providing support for business growth, raising the profile of enterprise in the third sector, developing the evidence base etc	Grants/tendered contracts
Strategic Partnerships, key partners, localism	£41m	Grants	Multi – annual – most often three year agreement	Supporting a range of third sector intermediary and representative bodies operating at a national and local level aligned to the Government's purpose	Grants based on delivering outcomes aligned to the Government's purpose and developing an enterprising third sector. Four strategic partnerships – the strategic partnership approach is principally an investment into the strategic thinking capabilities of key third sector organisations, enabling them to influence the policy debate and providing government with access to further knowledge and expertise

**WALES**

<b>Programme Funded</b>	<b>Value</b>	<b>Financial product</b>	<b>Multi Annual?</b>	<b>Programme Aim</b>	<b>Short Explanation/Comment on Funding Model Used</b>
Core funding provided to various support various organisations to assist with the overarching infrastructure of the Third Sector in Wales, including (see across):	£5.4m approx per annum	Core	Yes	To support the infrastructure for the voluntary sector in Wales the Welsh Assembly Government allocates core-funding under the 5-year rolling Partnership Agreement. This supports the WCVA, the County Voluntary Councils and the Volunteer Centres.	Funding 2009/2010 WCVA: £888,593, CVCs: £2,988,982 Volunteer Centres: £1,331,675
	£0.51m per annum	Core	Yes	Wales Co-operative Centre receives funding to develop co-operatives, credit unions and other mutual organisations in Wales.	The work will include undertaking research into the sector, raising awareness of co-operatives and credit unions, training and helping social enterprises to increase their turnover.
	£0.505m per annum	Core	Yes	Development Trust Association (Wales) receives funding to assist with the creation and development of new and emerging local development trusts in	

	£0.096m per annum	Core	Yes	<p>Wales; to identify and capture good practice to share across Wales and promote collaboration.</p> <p>Robert Owen Community Banking Fund receives funding to develop a small community development finance institution providing small loans to rural social enterprises in Powys.</p>	£96,000 each year over four years (2008/9 – 2011/12)
Social Firms (Wales)	£0.288m	Core	Yes	Social Firms Wales receives funding to create two social change partnerships and to help the creation of five social firm businesses in Wales.	£288,447 over three years, which commenced in 2008/09
Access to Financial Services Through Credit Unions - Phase 1(See Lisa Clarridge)	£0.75m approx per annum	Project and grant	Yes	To develop and extend the provision of Credit Unions in Wales and to make them self-sustaining	



<p>Volunteering Grants</p> <ul style="list-style-type: none"> <li>• Millennium Volunteers (Wales)</li> <li>• GwirVol</li> <li>• Wales: The Active Community</li> <li>• Volunteering In Wales Fund</li> </ul>	<p>£3m</p>	<p>Core and Grant</p>	<p>Yes</p>	<p>Wales Council for Voluntary Action (WCVA) receives funding to administer several grant schemes on behalf of the Welsh Assembly Government</p>	
<p>Coalfields Regeneration Trust (CRT) (Wales)</p> <ul style="list-style-type: none"> <li>• CRT Bridging the Gap (up to £0.01 million per grant)</li> <li>• CRT Main Grant Scheme (Up to £0.10 million per grant)</li> </ul>	<p>£1.4m approx per annum</p>	<p>Core and grant</p>	<p>Yes</p>	<p>The Coalfields Regeneration Trust administers two grant schemes designed to support and promote regenerative activities in current and former coalfields areas in Wales</p>	

Groundwork Movement (Wales)	£1m approximate per annum	Core and grant	Yes	<p>Groundwork in Wales is a leading local, regional and national environmental regeneration agency building sustainable communities across Wales.</p> <p>There are five Groundwork Trusts (collectively known as 'Groundwork in Wales') operating across the regions of Wales:</p> <ul style="list-style-type: none"> <li>• Groundwork Bridgend &amp; Neath Port Talbot</li> <li>• Groundwork Merthyr &amp; Rhondda Cynon Taff</li> <li>• Groundwork Caerphilly Groundwork Wrexham &amp; Flintshire</li> </ul>	
Communities First	£44m approx	Project	Yes	Communities First is the Welsh Assembly Government's programme for tackling	£44.4m allocated for 2009/10

				<p>deprivation and disadvantage in the most deprived areas of Wales.</p> <p>Each Communities First area has a Partnership which brings together the local community together with representatives from the local statutory, voluntary and private sectors. There are around 150 Partnerships in all parts of Wales.</p>	
Communities First Trust Fund	£3m approx	Grant	Yes	The Communities First Trust Fund (CFTF) aims to support any type of activity that involves local people, through small community organisations, that benefits their community.	£3.5m allocated for 2009/10
Community Asset Transfer Programme	£8m	Grant	Yes	The Welsh Assembly Government has provided £8million over	

				<p>an initial three year period to assist in the creation of opportunities for third sector organisations to engage in the management or ownership of community assets and related development opportunities.</p> <p>The Big Lottery Fund will administer the fund and provide revenue funding, while the Welsh Assembly Government will provide capital funding. Organisations will be able to make applications from mid October this year.</p>	
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Community Facilities and Activities Programme	£10m approx	Grant	Yes	<p>The Community Facilities and Activities Programme (CFAP), is a capital grant scheme operated by the Welsh Assembly Government.</p> <p>It provides funding for the provision of facilities within communities and for activities which engage local people and help promote the regeneration of communities.</p>	£10.33m allocated for 2009/10
Social Enterprise Support Project administered by the Wales Co-operative Centre.	£7.2m	Contract	Yes	<p>The project will provide advice and support for those starting up a social enterprise, through a mentoring service, training, and signposting to other sources of help.</p> <p>These support services will be provided by a range of organisations recruited through the Welsh Assembly Government's Sell2Wales programme.</p>	EU Structural funds are being used, matched with funding from the Welsh assembly Government.

				<p>The project will also aim to raise awareness of the contribution that social enterprises make to social and economic regeneration, help identify gaps in service provision in some of Wales' most deprived areas, and research into new opportunities.</p>	
<p>Engagement Gateway project administered by the Wales Council for Voluntary Action (WCVA),</p>	£29m	Contract	Yes	<p>The Employment Gateway will support initiatives that aim to increase the skills, motivation and confidence of individuals, enabling them to progress into employment.</p> <p>The Gateway will invest in organisations that target people who may be out of touch with mainstream services, or at high risk of long term benefit dependency.</p>	<p>EU Structural funds are being used, matched with funding from the Welsh assembly Government.</p>

				<p>These groups will include people facing specific disadvantage, such as:</p> <ul style="list-style-type: none"> <li>• Women who want to return to work</li> <li>• Black, Asian and minority ethnic people</li> <li>• People with a work limiting health condition or disability</li> <li>• Mental health service users</li> <li>• People over 50 years of age</li> </ul> <p>Other target groups include:</p> <ul style="list-style-type: none"> <li>• People in receipt of incapacity benefit</li> <li>• Lone parents with children of all ages</li> <li>• Young people not in employment, education or training</li> <li>• Economically inactive people throughout Wales</li> </ul>	
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<p>Intermediate Labour Market project administered by Wales Council for Voluntary Action (WCVA).</p>	<p>£10m</p>	<p>Contract</p>	<p>Yes</p>	<p>The Intermediary Labour Market (ILM) project aims to reduce economic inactivity in East Wales by investing in organisations to provide work experience and training for people facing barriers to employment.</p> <p>It will contract with organisations that engage with economically inactive people, many of whom will have multiple barriers; and prepare them for employment through the use of a range of activities that build their confidence and skills to move towards sustainable employment.</p> <p>The ILM will encourage organisations to adhere to the principles of a work progression model, which emphasises the</p>	
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				<p>development of the individual, not just to equip them for today's job, but also to provide them with the skills to compete in an ever changing labour market.</p> <p>The ILM will invest in organisations that are able to support and develop people who have become benefit dependent and those that face other barriers to work including:</p> <ul style="list-style-type: none"> <li>• People in receipt of incapacity benefit</li> <li>• Women who want to return to work</li> <li>• Black, Asian, and minority ethnic people</li> <li>• People with a work limiting health condition or disability</li> <li>• People over 50 years of age</li> </ul>	
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Communities 2.0	£19.9m over six years	Project	Yes	<p>The Communities Two Point Zero programme aims, through community groups, voluntary sector organisations and enterprises, including social enterprises, to engage people with technologies by breaking down barriers, and supporting them to exploit technologies for economic outcomes.</p> <p>The Wales Co-operative Centre is working in partnership with the University of Glamorgan, Carmarthenshire County Council, Novas Scarman, and the Pembrokeshire Association of Voluntary Services to deliver the Communities Two Point Zero project.</p>	
Supporting Social Enterprise Project	£7.1m	Contract	Yes	Social Enterprise Support Project administered by Wales Co-operative Centre will	

				<p>provide social enterprise support along two strands. The first strand will raise awareness of the contribution social enterprises make to social and economic regeneration and the second will provide advice and support for pre-start social enterprises, a mentoring service, training (including workshops and master classes) and signposting to other support agencies available for on-going support.</p>	
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**Note:** The table above shows several initiatives within the Social Justice and Local Government portfolio. Funding across Ministerial Portfolios is significantly higher with figures being collated for 2008/09. 2007/08 figures indicated a total spend of £294.5 million across Assembly Government Departments.

## ENGLAND

<b>Programme Funded</b>	<b>Value</b>	<b>Financial product</b>	<b>Multi Annual?</b>	<b>Programme Aim</b>	<b>Short Explanation/Comment on Funding Model Used</b>
Community builders	£70m	Loans and grants	Multi Annual	To support the development of sustainable community-based organizations across the country	Invest through capital investment packages comprising a bespoke mix of loan, grant and other leveraged funds.
Futurebuilders	Up to £215m	Loans and grants (majority loans)	Multi Annual	To assist front-line third sector organizations to build their capacity to increase the scale and scope of their public service delivery	The Government-backed fund provides loans, to build organisational capacity and capability to increase the scale and scope of an organisation's public service delivery.
Capacitybuilders/ ChangeUp	£88.5m	Grants	Multi Annual	An NDPB <sup>2</sup> to improve support services to third sector organizations. Capacitybuilders invests in support services that help organizations become more effective through provision of information, advice, mentoring and training on a host of topics.	Capacitybuilders provides three year grants to third sector support providers to help them work together and improve their support services in their areas.
Modernisation Fund	£16.5m	Loans and Grants	Annual	A fund to strengthen third sector organizations robustness. The fund is split into £7m for grants	Providing bursaries for initial advice to help organisations identify whether collaboration or merger are right for them. Organisations are also able to apply for a grant or loan to enable them to take

				and bursaries and £9.5m for the loan element of the fund	forward collaboration, merger or other organisational development.
Community Assets	£30m	Grants	Multi Annual	To refurbish and extend local authority buildings, and transfer their ownership from the local authority to their third sector partner	Providing capital grants of between £100,000 to £1 million to 38 partnerships between Local Authorities and third sector organisations for building and refurbishment work.
Grassroots Grant	£130m	Grants and endowment	Multi Annual	To enable grassroots groups to thrive and direct their energies to the particular challenges they see in their local community	Making grants of £250-£5000 available to the smallest neighbourhood groups. Match funding local donations to be invested as an endowment
Strategic Partners Programme	Over £60m	Grants	Multi Annual	To ensure there are third sector organizations that can scrutinize and challenge government	The OTS funds over 43 third sector organisations to be strategic partners. They receive long-term grant funding for core purposes.
Risk Capital Fund	Up to £10m	Equity and Quasi-equity		To invest in social enterprises who find it difficult to access risk capital particularly at critical stages	Contract negotiation is currently underway. More information will be available in due course.

## ISLE OF MAN

<b>Programme Funded</b>	<b>Value</b>	<b>Financial product</b>	<b>Multi Annual?</b>	<b>Programme Aim</b>	<b>Short Explanation/Comment on Funding Model Used</b>
Grants primarily from Department of Health and Social Security, Social Services Division	£17m (DHSS)	Grant	3 years	To fund services provided by third sector organisations that are recognised as being of considerable value to Government and the community.	An agreed sum of money is granted annually over three years subject to annual review and on condition that pre-determined targets are met.
Contracts primarily from Department of Health and Social Security, Social Services Division		Contract	5 years	To fund services that are required under statute and provided by third sector organisations.	The required services are tendered and the most suitable applicant is offered the contract on which both parties agree specific targets and outcomes from the funding. The contract is for a fixed term and subject to an agreed review process.

## GUERNSEY

*The table below shows examples of some of the larger programmes funded in Guernsey*

<b>Programme Funded</b>	<b>Value</b>	<b>Financial product</b>	<b>Multi Annual?</b>	<b>Programme Aim</b>	<b>Short Explanation/Comment on Funding Model Used</b>
Guernsey Sport Commission	£249,000	Grant	Annual	Sports development	
Guernsey Arts Commission	£125,000	Grant	Annual	Arts Development	
Dyslexia Service	£125,000	Grant	Annual	Services to Education for Dyslexia support	
NCH (Action for Children)	£165,000	Grant	Annual	Drug and Alcohol Strategy	
Drug Concern	£130,500	Grant	Annual	Drug & Alcohol Strategy	
NCH/Action for Children	£378,160	Grant	Annual	Drug & Alcohol Strategy	
Guernsey Family Planning	£128,485	Grant	Recurring	Service provision	
St John Ambulance Service	£1,895,000	Grant	Recurring	To provide funding for the staffing elements of the SJA Ambulance division	
Housing 21	£490,000	Grant	Recurring	To provide support for care staff costs for clients in sheltered housing	

These are just some examples of the programmes funded in Guernsey.

## IRELAND

<b>Programme Funded</b>	<b>Value</b>	<b>Financial product</b>	<b>Multi Annual?</b>	<b>Programme Aim</b>	<b>Short Explanation/Comment on Funding Model Used</b>
Scheme to support National Organisations in the Community and Voluntary Sector	€18m	Grant	Multi Annual	Three year funding of €18 million is provided to support ongoing core staffing, administration and running costs of approx.	64 national community and voluntary organizations. In addition, €1m is being provided to C&V organizations to support their direct involvement in the social partnership process.
Support for volunteering initiatives	€4.4m in 2008	Grant	Multi Annual	Funding is earmarked specifically for activities to support volunteering, including funding core costs of a network of 20 volunteer centres	
Training Grants for Community & Voluntary Organisations	€3m in 2008	Grant	Annual	Funding is provided for a Training Grants Scheme for national and locally based organizations in the Community & Voluntary sector	



The Local and Community Development Programmes	€79m in 2008	Grant	Annual	The Local and Community Development Programmes are a series of measures designed to counter disadvantage and to promote equality and social and economic inclusion	
Rural Social Scheme	€51m in 2009	Grant	Annual	Rural Social Scheme was launched in 2004 and provides resources to maintain and improve local amenities and facilities in rural areas.	Communities benefit from the skills and talents of local farmers and fishermen, while the participants (2,600 in total) are provided with opportunities to improve existing skills, and develop new ones, as they perform valuable work in the community
Community Services Programme	€51m in 2009	Grant	Multi Annual	The Community Services Programme aims to support local community activity to address disadvantage, while also providing local employment opportunities.	The Programme currently provides funding to approx. 350 groups, which provide both services and employment opportunities for persons who are disadvantaged.

RAPID	€8m in 2009	Grant	Annual	The RAPID Programme targets 46 of the most disadvantaged areas in the country.	The Programme aims to ensure that priority attention is given to the designated areas through the focusing of State resources on the areas. It also requires the Government Departments and State Agencies to bring about better co-ordination and closer integration in the delivery of their services.
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## **Part B**

### **1. Funding Strategies among BIC Administrations**

In general, most Administrations have not developed a formal overarching funding strategy for the third sector. Challenges to developing such a strategy include the diversity of the sector itself, the range of income sources for third sector organisations, the range of statutory and private bodies dealing with third sector organisations and the complexity of these relationships. Instead a number of different approaches are taken with regard to ensuring best practice in the funding of third sector organisations.

In England, the Office of the Third Sector (OTS) notes that it has set out a 10-year strategic vision for the partnership relationship between government and the third sector in *The Future Role of the Third Sector in Social and Economic Regeneration* (July 2007), more commonly known as the Third Sector Review. This review sets in place a stream of funding and finance interventions which aim to enable the range of third sector organisations to either; grow, develop and become more sustainable, or, address specific gaps in existing support i.e. market failure.

The Welsh Assembly Government has a Code of Practice for Funding the Third Sector in Wales which applies to all Assembly Government Departments, Assembly Government Sponsored Bodies, and a range of Welsh Assembly Government funded public bodies including NHS organisations in Wales. The Welsh Local Government Association is supportive of the principles of the Code and several Local Authorities are developing similar Codes.

In Scotland, the Enterprising Third Sector Action Plan has been developed to create the right conditions in which an enterprising third sector - including social enterprises - can thrive, enabling the third sector to play a full role in the development, design and delivery of policy and services in Scotland.

The Isle of Man contracts third sector organisations to carry-out services required under statute while organisations that receive Government grants without contract are funded because Government values the contribution they and their services make to the community. All applicants for funding must provide evidence of the need for the funding, the outcomes they will achieve with it (and how these will be measured), and how what they wish to do with the funding fits in with Government plans and strategies.

The Jersey Government has no formal link with the third sector nor any department designated as a liaison. However, the development of a Social Policy Framework is underway in Jersey and the creation of a forum reporting up to the Council of Ministers which would include the third sector is being considered. Another part of the Framework would require more impact analysis on policies which affect social issues so that benefits can be assessed against predictions and a better gauge of the social return on investment made.

In Guernsey, there are no specific funding strategies specifically for the third sector. Each Department will engage separately with the agencies with which they are working. A number of strategies have formal arrangements in place for working with the third sector.

In Ireland, the *White Paper on a Framework for Supporting Voluntary Activity and for Developing the Relationship between the State and the Community and Voluntary Sector* sets out the relationship between the third sector and the State and was developed in consultation with the sector. The White Paper and the Social Partnership Agreement commit the Government to developing clear funding guidelines for the third sector.

## **2. Multi-annual funding for third sector organisations.**

Some form of multi annual or recurring funding is provided in almost all Administrations. In the Isle of Man, the system through which Government funds third sector organisations recently changed to a multi-annual system and in its short existence has proved popular and successful with Government and third sector organisations alike. The funding system is flexible enough to allow one organisation to receive funding for more than one project at a time and receive funding, when appropriate from a range of Government Departments. The length of time for which the funding is provided (usually 3 years for grants and 5 years for contracts) enables organisations to fully commit to projects and services and guarantees their existence and in some instances, guarantees the existence of the organisation itself. In Guernsey, recurring grants are provided, particularly in the area of Health & Social Services and Social Security.

The Welsh Assembly Government provides multi-annual funding packages for third sector organisations including both grant and contract funding. The Assembly Government's Code of Practice for Funding the Third Sector commits the Welsh Assembly Government to the principles of longer-term funding, subject to performance, to support a sustainable approach to funding: up to 5-7 years for strategic core funding and commitment for the life of any specific projects which are funded, providing firm year one funding and clear baselines for subsequent years.

In Ireland, Government has moved increasingly to multi annual contracts. Examples include three year core funding of is provided to support ongoing core staffing, administration and running costs of approx. 64 national community and voluntary organisations.

In England, the Office of the Third Sector promotes three year funding as the norm not the exception across Government. Central Government departments must report on this commitment, this is being extended to local statutory funders going forward.

Across Government departments 65.7% of grants on average are for three years or more.

In Scotland 3 year funding linked to jointly agreed outcomes has been developed with key national third sector intermediary and representative organizations.

### **3. *New developments and innovations in funding models***

In Wales, 'The Third Dimension', the Welsh Assembly Government's strategy for the third sector includes a commitment to fund, design and launch an 'Invest to Serve' fund to build strategic capacity for public service delivery within the third sector. The Assembly Government is working closely with its partners to develop a fund that provides loans for third sector organisations to enable them to become more sustainable by developing a wider trading base. It is intended that the Invest to Serve Fund will provide a more competitive supplier base from which public organisations in Wales can source services and will thus directly support our drive for greater efficiencies in public service delivery. Third sector organisations will be able to compete for contracts on a more level playing field. The Welsh Assembly Government has also been proactive in promoting the benefits of developing a similar Code to other public bodies, including Local Authorities in Wales. A copy of the current Code is attached.

Additionally, the Welsh Assembly Government has recently commissioned research to examine funding patterns to the third sector across the four nations and where possible, to draw inferences on whether and how different funding patterns impact on the outcomes of third sector organisations.

The objectives of the research are:

- To review existing literature around funding patterns to the third sector.
- To review existing sources of data to undertake a quantitative analysis of patterns of funding – this should be a trend analysis where possible.
- To undertake qualitative research to gather the views of stakeholders on whether and how the pattern of funding to third sector organisations might impact on the outcomes of those organisations
- To make recommendations on how third sector organisations should be funded in the future, where evidence is available.

Communities 2.0: The Wales Co-operative Centre is working in partnership with the University of Glamorgan, Carmarthenshire County Council, Novas Scarman, and the Pembrokeshire Association of Voluntary Services to deliver the Welsh Assembly Government's Communities 2.0 programme from April 1st 2009. Communities 2.0 aims to tackle digital exclusion in the Convergence areas of Wales.

The benefits of digital technologies (such as mobile phones, digital television and the internet), are many and far-reaching. They can have a huge impact on quality of life and the range of opportunities available. However, in terms of access to this

technology, there is a deep divide between the 'haves' and 'have-nots'. The digital inclusion initiatives delivered through Communities 2.0 aim to contribute to skills enhancement and improving the quality of life.

Funding for the programme has come, in part, from the European Regional Development Fund. Communities 2.0 will build on the Welsh Assembly Government's highly successful Communities @One initiative, by providing community groups, social enterprises and individuals with support to use technologies and to help people in the most disadvantaged areas of Wales engage with new technology in ways that are directly relevant to their lives.

Communities 2.0 seeks to move digital inclusion to the next logical stage. It has been developed in the context of a highly supportive agenda in Wales which is driving forward e-government and the wider use of IT in all parts of society, especially the most disadvantaged communities.

Communities 2.0 will focus on eight key areas of activity in Wales' Convergence areas:

1. Providing support for community groups and voluntary organisations to undertake digital inclusion activities with their members.
2. Helping groups to maximize their own use of technology, for example through developing their online activities and functional use of ICT.
3. Providing groups with support to earn income from their digital activities.
4. Working with groups to help them grow and develop as new ICT enterprises, including social enterprises.
5. Helping existing enterprises, especially social enterprises, to make better use of ICT.
6. Supporting individuals to gain ICT skills which will help them move into the job market.
7. Providing training in technical support for community groups.
8. Developing virtual 'Centres of Excellence' and examples of good practice, e.g. in digital storytelling, which will act as a hub of specialist expertise.

In England, the OTS provides £515m investment over the SR08 period in to the third sector, through a range of strategic funding and finance interventions that include loans, grants (capital and resource), endowments and equity. Whilst the OTS remains committed to resource grant funding where there is a strategic need, OTS have also helped support the supply of finance through new and innovative models of social investment, through loan finance, asset transfer and endowment building.

To enable the sector to thrive we not only adapt best practice principles in our own approaches, we also seek to imbed these across Government. To do this the OTS takes the following action:

- Promoting the Compact; the Compact Codes provide a framework for best practice in partnership working between Government and the sector, setting out minimum standards which both parties should expect to underpin all

interactions. The OTS sponsors the Commission for the Compact and Compact Voice to uphold these standards. There are specific codes of conduct on funding and procurement which set out best practice principles in funding, for example full cost recovery. The Compact is now in its 10<sup>th</sup> year and therefore the Commission for the Compact are looking to refresh the Compact. A consultation paper on a revised national Compact has been published. The consultation closes on Monday 12 October 2009. For more information and further details on how to contribute to the consultation, please visit: [www.thecompact.org.uk/refresh](http://www.thecompact.org.uk/refresh).

- Holding Government to account on 3 year funding; the OTS promotes 3 year funding as the norm not the exception across Government. Central Government departments must report on this commitment, this is being extended to local statutory funders going forward. Across Government departments 65.7% of grants on average are for three years or more.
- Training commissioners; OTS are working through the IDeA to support central and local government commissioners to understand the specific strengths of working with the sector and how to improve commissioning practices through The National Programme for Third Sector Commissioners. This training programme particularly focuses on contracts and procurement. 2,000 commissioners are being trained from primary care trusts, the National Offender Management Service, local councils, and others who have a large impact on the third sector. More information is available at: <http://www.idea.gov.uk/idk/core/page.do?pagelId=6583598>

The OTS ensures it is easy for third sector organisations to find and access the funding that is right for them. Therefore we have funded an online search portal to guide organisations to funds that meet their needs. <http://www.fundingcentral.org.uk>.

Future policy will be informed by:

- The evaluation of current OTS interventions: For example the recent Adventure Capital Fund (ACF) evaluation; (this is a loan finance fund from the previous CSR for medium community organisations, supporting them to engage in social enterprise activity) demonstrated that, in terms of gross income, loan investee community organisations grew faster than other general charities of the same size over the same period. Also the physical assets and gross income of organisations financed by the ACF increased faster in the period after receiving their ACF loan than in the period before. The evaluation has recommended that Government: work with experts in the sector to address the gaps and issues in the capital market for third sector organisations, particularly looking at the balance between available grant and loan funds, the provision of targeted business support, and to broaden the approach to social investment. Although many of our current programmes have not yet drawn firm conclusions, the National Audit Office (NAO) also reviewed the Futurebuilders and Capacitybuilders programmes recently in Building the Capacity of the Third Sector. The report demonstrated the importance of building robust baselines and targets for future interventions to

enable the impact of the programme to be measured and evaluated. Future interventions will need to have clear objectives and also be based on an identified need or proven success of a particular Government intervention. The report can be downloaded on the Public Accounts Committee (PAC) website; <http://www.publications.parliament.uk/pa/cm/cmpubacc.htm>

- Following the announcement in the Government's Building Britain's Future strategy the OTS has also launched a consultation on the potential role and features of a Social Investment Wholesale Bank (SIWB). Government recognises the important role played by the third sector including social enterprises – as sustainable businesses with a social or environmental mission they contribute significantly to stronger local economies and a fairer society. Yet access to appropriate funding and finance is often the single biggest concern facing organisations driven by social or environmental purpose. A Social Investment Wholesale Bank could help enable third sector organisations to access the finance they need to grow and become more sustainable. More broadly, the Bank could help increase investment in society, the environment and the economy at the same time, delivering against a 'triple bottom line' of more effective interaction between greater economic growth, social cohesion and sustainable development. For more information about this or to feed in your views please visit the OTS website; [http://www.cabinetoffice.gov.uk/third\\_sector/consultations/current\\_consultations/social\\_investment\\_wholesale\\_bank.aspx](http://www.cabinetoffice.gov.uk/third_sector/consultations/current_consultations/social_investment_wholesale_bank.aspx)
- Policy analysis of available research from a range of bodies including the OTS funded Third Sector Research Centre
- Future trends; The OTS conducted a recent internal futures analysis study this may be of interest to the British Irish Council. This is being finalised and will be available in autumn 2009.

In Scotland, The Scottish Government is committed to the development of an enterprising Third Sector in Scotland and will provide £93 million of funding up until 2011. The Enterprising Third Sector Action Plan will help to create the right conditions in which an enterprising third sector - including social enterprises - can thrive, enabling the third sector to play a full role in the development, design and delivery of policy and services in Scotland. This action plan is funded through £8.75 million of the £93 million identified for the development and support of the third sector in the Scottish Government budget in November 2007. In addition to this, £30 million has been allocated to the Scottish Investment Fund and £12 million for direct investment in enterprising third sector organisations through the Third Sector Enterprise Fund.

In Ireland, changes in funding at a macro level is being driven by Social Partnership Agreements. The Third Sector is a full member of the National Social Partnership process. Since 1987 there have been a series of National Social Partnership Agreements - which are focused principally on incomes, fiscal, social, economic and competitiveness policies – negotiated between the Government and the social



partners (Trade Union Pillar; Business and Employer Pillar; Farming Pillar; Community and Voluntary Pillar). The influence of the third sector in the process is evidenced in the latest 10 year Partnership Agreement, towards 2016. Part one of the Agreement uses a lifecycle framework to address challenges for each of four lifecycle stage. They are children, people of working age, older people and people with disabilities.

- For **children**, the key areas are: early childhood development and care; issues for children and their families; income support; improving education and health; promoting recreation, sports, arts and culture. Commitments include: 50,000 new childcare places; 550 language support teachers for international students; a review of maternity/paternity leave entitlements; and the establishment of the new Irish Youth Justice Service for reform in the area of youth justice.
- For **people of working age**, the priority areas are: employability; access to employment and income; caring responsibilities; housing; and improving health outcomes. Agreements include: 2,000 extra places on the Back to Education Initiative; and 400 primary care services by 2009.
- For **older people**, the focus is on: pensions and income supports; long-term care services; housing and accommodation; ensuring mobility; ensuring quality health services; and promoting education and employment opportunities. Commitments include: €150 million for services for older people, with most of this going to community care supports; increased funding for the Rural Transport Initiative; and €2 million to prevent elder abuse.
- For **people with disabilities**, the focus is based on the National Disability Strategy. Key areas include: income; health and education services; measures to promote employment opportunities; accessible services in housing, public transport and information and advocacy.

In implementing the lifecycle approach, the agreement includes a range of proposals to support the third sector including enhanced funding and the promotion of social finance and philanthropic activity.

In the Isle of Man, cross-Government funding has occurred on a limited basis and this is to be expanded as the third sector develops. When the service a third sector organisation proposed to offer benefited multiple Government departments, each department agreed to share the funding on an agreed basis. This is in contrast to the previous mechanism through which all funding came from a single area of Government, in the case of social issues, the Department of Health and Social Security while such is now being shared across departments.

<b>Grant schemes and other funding in Northern Ireland:</b>		
<b>Instrument/Fund</b>		<b>Background, rationale, high level objectives</b>
<p><b>People and Place- A Strategy for Neighbourhood Renewal</b></p> <p>Launched: 2003</p> <p>Expected duration: 7-10 years</p>	<p>£60 million over CSR period  (2008-11)</p>	<p>The Neighbourhood Renewal Strategy is intended to provide the strategic direction for all Government Departments and Agencies with a role in helping deprived communities. In particular, the strategy was designed to enable better coordination of funding and spend on community development. Neighbourhood Renewal operates in areas which are within the worst ten percent of urban wards in Northern Ireland, as defined by the Noble Index. <b>'People and Place'</b> proposes a joined-up approach amongst Government Departments to tackling the high levels of social deprivation in urban areas, by placing community regeneration at the heart of Government policy.</p> <p><i>Objectives</i></p> <p><b>'People and Place'</b> adopts a holistic approach to neighbourhood renewal, with four strategic areas of renewal:</p> <ol style="list-style-type: none"> <li>1. Community – the strategy advocates a proactive and structured approach to community development, with a focus on developing and strengthening community capacity. This includes building up the skills of those involved in community development through training and support. The strategy also promotes volunteering and citizenship as ways of contributing to neighbourhood renewal.</li> <li>2. Economic – this involves encouraging investment and business development in deprived neighbourhoods and ensuring that those who live in deprived neighbourhoods have the employment skills to meet investment and business needs.</li> <li>3. Social – this primarily entails ensuring that those who live in deprived neighbourhoods have access to education and health services. It also encompasses the provision of good transport links, recreational</li> </ol>

		<p>facilities and a safe, crime-free environment. Tackling anti-social behaviour within communities is an integral part of this objective.</p> <p>4. Physical – the strategy also focuses on improving the physical environment in deprived communities. This involves utilising vacant land, developing derelict buildings, improving the housing mix and the general appearance of neighbourhood renewal areas.</p> <p>These objectives are to be achieved through long-term planning, partnership working and an integrated approach amongst Government Departments, Agencies and Public Bodies. Neighbourhood Action Plans, tailored to the needs of individual communities, are designed to ensure that the focus and implementation of the strategy is on results and improved public services.</p>
<p><b>European Union Structural Funds</b></p> <p>The next round of funding (Euro 200 million) operates from 2007 to 2013</p> <p>Administered by: Special EU Programmes Body (external managing authority)</p> <p>Delivered by: Development Offices, and intermediary delivery bodies, such as Community Foundation for NI (CFNI)</p>	<p>€225m</p>	<p>Structural Funds are used by the EU to provide financial support to EU member states and regions. The primary aim of the funding is to help close the economic and social gaps between member states and regions of the EU.</p> <p>Between 1997 and 2006, NI has received £1,821m in funding - of which DSD has received £100m</p> <p>DSD has been involved in four programmes:</p> <ul style="list-style-type: none"> <li>• Building Sustainable Prosperity – the main objective of this programme was to “move Northern Ireland to a state of sustainable prosperity in a competitive modern economy by focusing on the restructuring of its businesses and the key skills development of its people while maintaining a quality environment”.</li> <li>• Peace II and Peace II Extension – the key priorities for this programme are: economic renewal; social integration, inclusion and reconciliation; locally based regeneration and development strategies; the creation of an outward and forward looking region;</li> </ul>

		<p>and cross-border cooperation.</p> <ul style="list-style-type: none"> <li>• Interreg IIIA – the primary objective of Interreg is to strengthen economic and social cohesion in the EU community. The programme has four priorities: Integrated Local Development Strategies; Supporting Physical Infrastructure and the Environment; Civic and Community Networking; and Technical Assistance.</li> <li>• Urban II – this programme supplements the work of Peace II and Building for Sustainable Prosperity. It aims to achieve: coordinated physical, economic and social action in urban areas of high disadvantage; and an exchange of experience and best practice from participating cities across the EU.</li> </ul>
<p><b>Community Investment Fund</b></p> <p>Date launched: 2006      2006</p> <p>Expected duration: 3 years X 2 (2012) 3 yrs</p>	£3m	<p>The Community Investment Fund aims to deliver a longer-term, strategic commitment to supporting community development</p> <p><i>Objectives</i></p> <ul style="list-style-type: none"> <li>• To provide funding to umbrella organisations that provide support for smaller community groups and have the potential to expand that support</li> </ul>
<p><b>Regional Infrastructure Programme</b></p> <p>Date launched: 2006      2006</p> <p>Expected duration: Ongoing</p>	£4.6m	<p>This programme supports the core costs of regional infrastructure organisations involved with voluntary and community sector organisations.</p> <p>This programme is limited to a small number of regional organisations where policy responsibility lies with DSD. This programme is not open to single-issue organisations or to organisations where the lead policy responsibility lies with another Government Department</p> <p><i>Objectives</i></p> <ul style="list-style-type: none"> <li>• To develop community infrastructure to allow new work and new</li> </ul>

		<p>organisations to expand</p> <ul style="list-style-type: none"> <li>• To support and resource existing organisations</li> <li>• To facilitate networking which encourages sharing.</li> </ul>
<p><b>Areas at Risk Pilot Programme</b></p> <p>Date launched: 2006  Expected duration:  Ongoing –One year development work, capacity building and developing relationships with each pilot project running for 2 years. Total Government intervention 3 years.</p>	<p>£1m per annum</p>	<p>The aim of this programme is to:</p> <ul style="list-style-type: none"> <li>• reduce the level, frequency and impact of interface violence within the community;</li> <li>• increase levels of economic activity within the targeted areas;</li> <li>• stabilise targeted areas to the point that the area is either no longer considered as an ‘area at risk’, or that the risk of the area slipping into decline is prevented;</li> <li>• increase community cohesion and capacity;</li> <li>• strengthen community infrastructure in those areas where it is weak; and</li> <li>• achieve a more sustainable approach to community participation and development.</li> </ul> <p>The areas to be considered for inclusion in the programme are identified by VCU following advice from the URCDG Development Offices and NIHE. The URCDG Management Board makes final recommendations before the Minister approves areas for inclusion. To date, 27 pilot areas have been identified.</p> <p>* The Programme is not open to applications from the general public</p>

<p><b>Volunteer Bureau Initiative</b></p> <p>Date launched: Early 1980s</p> <p>Expected duration: funding in place till March 2010</p>	<p>£1.1m per annum</p>	<p>This initiative supports a network of 15 Volunteer Centres in NI which:</p> <ul style="list-style-type: none"> <li>• Promote volunteering</li> <li>• Recruit, support, train and develop volunteers</li> <li>• Initiate, develop and support volunteering opportunities</li> <li>• Provide training and support to volunteer involving organisations</li> <li>• Encourage good practice</li> </ul> <p><i>Objectives</i></p> <ul style="list-style-type: none"> <li>• To promote volunteering at a local level, develop volunteering opportunities, recruit volunteers and successfully place volunteers with organisations.</li> </ul>
<p><b>Community Volunteering Scheme</b></p> <p>Date launched: 1980s</p> <p>Expected duration: Main Grants 2006-2009, Small Grants expected to continue post 2009</p> <p>Evaluation of the scheme is ongoing.</p>	<p>£1.1m per annum</p>	<p>This scheme comprises Main Grants and Small Grants and is designed to encourage and facilitate volunteering in the community. Grants are available for local voluntary and community sector organisations that utilise volunteers. They are delivered via the Volunteer Development Agency.</p> <p><i>Objectives</i></p> <ul style="list-style-type: none"> <li>• To encourage and support volunteering</li> <li>• To create and enhance opportunities for volunteers that will encourage learning and good practice</li> <li>• To promote a positive image of volunteering and community participation</li> </ul>
<p><b>Modernisation Fund</b></p> <p>Date launched: 2005 (revenue)</p>	<p>£18m</p>	<p>Voluntary and community organisations need to modernise and become more sustainable if they are to continue providing necessary services in the changing social and economic environment. The Modernisation Fund is intended to financially facilitate that process and support participating organisations in restructuring and developing their</p>

<p>2007 (capital)</p> <p>Expected duration: Applications for funding closed in 2007</p>		<p>operations in order to meet changing demands. The fund comprises two distinct programmes; a revenue programme and a capital programme. Both are designed to modernise and enhance voluntary and community organisations and the way in which they deliver services:</p> <p>Revenue Programme – this aspect of the fund is intended to focus on organisational restructuring and governance, with a view to streamlining operations and increasing professionalism within the sector Capital Programme – this aspect of the fund focuses on improving the facilities available to the participating voluntary and community sector organisations</p> <p><i>Objectives</i></p> <ul style="list-style-type: none"> <li>• Improving access to services</li> <li>• Providing better facilities for children and young people</li> <li>• Encouraging partnership and collaboration</li> <li>• Reducing costs and generating income</li> <li>• Developing good relations within and between communities</li> </ul>
<p><b>Community Support Programme</b></p> <p>Date launched: 1975 Expected duration: The current Community Support Plans run until 2009</p>	<p>£4.6m per annum</p>	<p>The Community Support Programme (previously known as the District Councils' Community Services Programme) aims to strengthen local communities, increase community participation and promote social inclusion. To this end it provides funding for community groups, activities within communities and local advice/support services.</p> <p>The programme is a collaboration involving the Department for Social Development, District Councils, local community groups, voluntary groups and local advice organisations.</p> <p><i>Objectives</i> To contribute to:</p> <ul style="list-style-type: none"> <li>• An active and organised community</li> </ul>

		<ul style="list-style-type: none"> <li>• An influential community</li> <li>• An informed community</li> </ul> <p>A sustainable community</p>
<p><b>Urban Development Grant (UDG)</b></p> <p>Date launched: 1982</p> <p>Expected duration: no end date specified</p>	£1m per annum	<p>UDG is a discretionary grant, governed by the terms of the Social Need (Northern Ireland) Order 1986.</p> <p>It has been/can be operated by the Department in different ways - different levels of subsidy, different spatial application, support for different types of development etc.</p> <p>UDG initially operated in inner city commercial areas and Enterprise Zones in Belfast and Londonderry in partnership with the private sector. In 1988, following a review of progress, UDG was withdrawn for city centre projects in Belfast. Both the Making Belfast Work initiative and Laganside Corporation made use of the UDG to regenerate areas of market failure. As the commercial and residential market in Belfast and Derry city centres have improved, grants have been increasingly targeted towards neighbourhood renewal areas.</p> <p><i>Objectives</i> The encouragement of private enterprise and investment through the development of vacant, derelict or underused land or buildings.</p>
<p>Overview: <i>(i.e. total levels of funding, funding principles (e.g. 'full cost recovery' etc)</i></p> <p><a href="#">Best Practice Manual in Finance and Governance in the Voluntary and Community Sector</a></p> <p>The principle of Full Cost Recovery was endorsed within <a href="#">Positive Steps</a>, Government's response to the <a href="#">Taskforce on Resourcing the Voluntary and Community Sector</a>.</p> <p>The Dept of Finance and Personnel (NI) also issued a Dear Accounting Officer letter to departments (<a href="#">DAO 15/07</a>) adopting the Treasury guidance "<b>Improving financial relationships with the third sector: Guidance to Funders and Purchasers ("Guide to Funders")</b>" (<a href="http://www.hm-treasury.gov.uk/media/9/4/guidncefunders1505061v1.pdf">http://www.hm-treasury.gov.uk/media/9/4/guidncefunders1505061v1.pdf</a>).</p>		



## **Annex 5**

### **British-Irish Council**

**As discussed at the February 2009 BIC Summit Meeting:**

#### **Discussion Paper: The contribution of the Voluntary and Community (Third) Sector to promoting Social Inclusion**

#### **Background**

In May 2008 BIC Ministers agreed that 'the contribution of the Voluntary and Community Sector' would be the next theme of the BIC Social Inclusion work area. The sector has grown significantly in recent years, and makes a major contribution to the social, economic, cultural and environmental well being of all BIC territories.

So far, officials have held two meetings. One early suggestion is that the 'third sector' should be used as the name, in preference to 'voluntary and community sector', as "third sector" is a more inclusive because organisations that prefer to be known as social enterprises are covered by it.

Work to date has focused on agreeing a work plan and on identifying the key measures being taken to promote the sector's work on social inclusion, and relevant literature and research.

In addition, at the second meeting in Scotland, officials undertook a study visit hosted by the Scottish Social Enterprise Coalition, to see in operation a range of social enterprises in Glasgow. A key theme which emerged was the innovative way in which each of the social enterprises were successfully engaging people with often complex needs and issues, and bridging their distance from the employment market. For example, one of the social enterprises provided opportunities for people with complex needs through a café, travel agency and developing and producing the Geddes Reader, an affordable electronic reading aid for the partially sighted. Further study visits will inform the development of the work.

Four further meetings are planned by January 2010. The final report on the theme will be considered at a ministerial Summit set for May 2010. As work is in its early stages, there is ample scope for Ministers to include any additional priorities.

#### **Overall focus of the theme**

Tackling social exclusion is either an explicit or implicit objective for most third sector organisations. The sector plays a key role in engaging with the most socially excluded and 'hardest to reach' members of society.

Given the breadth of the sector's activity, officials plan to focus on the work of the third sector in supporting people outside or on the fringe of the labour market. This includes the sector's work with relatively recently unemployed people, and its work with those who are furthest away from the labour market. In particular, the third sector has a major role in bridging the gap for those furthest from the market through innovative strategies that build self confidence and community involvement as stepping stones on the journey to employment.

Officials will also be looking to identify examples of genuinely innovative practice that can be shared and replicated.

### **The main topics within the theme**

The work plan proposes an initial emphasis on *the sector's role in addressing the additional social pressures arising from the economic downturn*. For example, how can the third sector contribute to handling the economic situation in terms of social inclusion? How can key agencies such as credit unions play a bigger role? What could the eight administrations do in scaling up the involvement of the third sector in this field and what can they learn from one another?

It may also include investigating, how third sector organisations finding themselves in difficulty, through the effects of the downturn, can most effectively be helped and supported e.g. a crisis management service, and sharing the lessons of what works in real time.

Later in the year, it is also proposed to look at two further topics. Firstly *how and why the sector's role is changing and modernising, and what administrations can do in support*. The sector can play a major part in creating and sustaining jobs, starting businesses, and matching economic development to environmental sustainability. In recent years, we have seen the rise of the social enterprise business model. Some of the most enterprising third sector organisations - in community care, for example - are now major public service providers. The impact of the of the economic downturn, increases the focus on the ability of the third sector to reach out to and engage those groups that public statutory services often find difficult to engage with, will become increasingly important.

The third topic will be on *volunteering and community action*. In particular, the group plans to look at the third sector's role in engaging hard to reach groups as volunteers, how it can use volunteering to help people back into employment, and how the sector can empower local people to develop and regenerate their communities and thereby raise their own pride, self esteem and self confidence as well as their collective community pride.

Reflecting the above, the remainder of this paper is set out under the following headings:

- Responding to the effects of the economic downturn

- Developing the roles of the third sector
- Volunteering and community action

### Recommended action for BIC Ministers

BIC Ministers are invited to:

- (i) Consider and discuss the issues raised in the remainder of this paper, in particular the 3 'key questions'.
- (ii) Consider any additional outcomes (e.g. joint research, good practice), or specific roles for the BIC on this theme, that should be added to the work plan.
- (iii) Agree the forward work plan taking account of any amendments suggested in the discussion.

### (I) RESPONDING TO THE EFFECTS OF THE ECONOMIC DOWNTURN:

*Issues:*

- (a) What are the potential impacts of the downturn on the third sector's resources?
- (b) How can administrations help the third sector to respond to the social impact of the downturn, and to reach the groups and communities that public services often find difficult to engage?
- (c) What can administrations do to encourage the development of credit unions and to increase their customer base and their strength and depth?

### **What are the potential impacts of the downturn on the third sector's resources?**

- Current economic climate is presenting real challenges for TSOs. They are facing a double challenge of increased demand for services and declining levels of income
- Individuals will reappraise their charitable giving. They are likely to focus on causes they already support. Corporate giving is likely to fall
- Charities' investment and legacy income will be affected by the falling value of assets (equities, bank deposits, property) and lower interest rates
- Corporate giving will go down and legacies will generate less income, but individual giving may hold up. For example income from the 2008 BBC Children in Need appeal is well up on 2007 (£21 million to date, up from £19 million in 2007)
- Funding from government may fall. Evidence from other recessions is that this did occur, leading to more focus on efficiency and value for money

- There is likely to be a higher need for welfare, advice and counselling services, notably those dealing with debt, housing, and employment
- Unemployment will rise, which could ease skills shortages in TSO's and the potential for a larger pool of volunteers.

**How can Administrations help the third sector to respond to the social impact of the downturn, and to reach the groups and communities that public services often find difficult to engage?**

*Background:* The third sector has a vital contribution to make during the downturn, in delivering services, developing communities, and supporting vulnerable people. There are a variety of ways in which Administrations can support TSOs at a time when demand for their services will increase. These include:

- Consult sector on potential special measures, to help TSOs to support people most vulnerable to economic downturn (e.g. Office of Third Sector - third sector economic action plan)
- Consider additional support to develop the sector's role in specific areas
- Support TSOs providing public services by awarding contracts of at least 3 years. Ensure existing commitments to proper contracting and fair funding are honoured
- Discourage commissioners from transferring costs and risks to the third sector (e.g. by training commissioners on understanding and working with the sector).
- Ensure prompt payments, to reduce problems for TSOs with cash flow and access to short term finance, and ensure banks are providing finance to charities and individuals, through guarantee schemes and other initiatives
- Consider providing assistance to help with issues of cash flow, short term access to finance, and restructuring to make TSOs better fit to cope during a recession
- Re-examine the relationship between volunteering and benefits, and make changes to the guidance as appropriate
- Review the operation of tax relief on charitable donations. Currently large amounts of potential income go unclaimed. Also review the difficulties faced by charities with VAT, in particular irrecoverable VAT which is a major cost to the sector

- Work with the sector to support governance development and capacity, to help TSOs to deal with difficult decisions which may have to be made (e.g. Isle of Man Govt advice on governance, service targeting and streamlining to struggling TSOs)
- Work with the sector to develop crisis management support to assist TSOs to manage difficulties arising from the downturn (in Scotland a third sector infrastructure organisation has been successfully providing such a service prior to the downturn).

### **What can administrations do to encourage the development of credit unions and to increase their customer base and their strength and depth?**

*Background:* Credit unions are growing in profile in most BIC territories. They can provide affordable financial services to people whose financial circumstances are less secure and therefore less attractive to the mainstream financial services sector. Credit Unions help to promote financial inclusion by offering savings and loan products to people having difficulty accessing mainstream services. They encourage a savings and asset building culture.

Many Credit Unions offer extra services e.g. home contents and travel insurance, and bill payments services. Some also work with organisations such as money advice services and housing associations, and with schools to promote financial literacy. For credit unions to be effective in promoting financial inclusion, they need to be helped to grow and to become self-sustainable. Possible ways for Administrations to assist include:

- Provide funding to support individual credit unions to develop additional services
- Make policy and regulatory changes to allow credit unions to develop, and become more attractive to depositors (e.g. plans for UK Treasury Legislative Reform Order)
- Enable credit unions to offer finance and investment in local enterprises
- Fund rates/ local tax relief for small businesses such as credit unions
- Support partnerships between money advice services and credit unions to enable people to re-gain control of their finances, e.g. Money Advice & Budgeting Service (RoI), Debt Redemption & Money Advice Scheme (Wales) and Debt Advice Services (N.I)

- Ensure credit unions can deliver products such as Child Trust Fund and Saving Gateway (e.g Welsh Assembly Government has funded credit unions to provide CTF)
- Encourage banks and local authorities to assist credit unions with funding and in-kind support
- Encourage links between housing associations and credit unions to encourage tenants to save and have access to a low cost source of credit
- Work with Financial Inclusion Champions (E, S and W) to offer low-cost home contents insurance
- Raise awareness of credit unions and promote the services they provide, in particular to people unable to access mainstream financial services.

## **(ii) DEVELOPING THE ROLES OF THE THIRD SECTOR**

*Issues:*

- (a) What are the key potential growth areas for social enterprise, and sectoral involvement in delivering public services? What is the role for social enterprise in the most disadvantaged areas?
- (b) Should Administrations encourage and support TSOs to work together more collaboratively, in order to increase co-operation and efficiency? If so how?
- (c) How can Administrations work with the third and public sectors to (i) overcome barriers to third sector involvement in delivering public services?, and (ii) maximise the third sector's potential for identifying and addressing social challenges and influencing policy.

**What are the key potential growth areas for social enterprise, and sectoral involvement in delivering public services? What is the role for social enterprise in the most disadvantaged areas?**

*Background:* Social enterprises are businesses working to produce a profit in a recognisable market, *not* a fix for areas suffering from market failure. Social enterprises may be able to identify new methods to provide services. Social

enterprises, like other TSOs, have a tradition of innovation. Some current statutory services are provided because the need was identified by the third sector.

- Work with the sector to mainstream social enterprise as a concept, i.e. to make the term social enterprise as common as 'environment', or fair-trade
- Recommend that commissioners work with social enterprises not only as suppliers but also as innovators, involving them in service design
- Provide a spectrum of assistance for social enterprise so that assistance is available from start up, through growing an organisation's capacity to be enterprising, to supporting growth by investment ready organisations (e.g. Scotland's approach through the Entrepreneurs Fund, Enterprise Fund and Scottish Investment Fund and the Ulster Community Investment Trust Ltd in N.I)
- Invest in skills and leadership for the sector, enabling the sector to demonstrate its value, through effective marketing, writing robust business plans, managing its finances, developing new markets and delivering first class services (e.g. Scottish Government partnership with the Social Enterprise Academy which coordinates a learning set of future leaders, providing mentoring, coaching and peer support).

### **How can administrations encourage and support TSOs to work together more collaboratively, in order to increase co-operation and efficiency?**

*Background:* The third sector's independence and diversity are two of its key strengths. However the downturn is likely to hit fundraising and grants, and competition for contracts is likely to intensify. In this climate, it makes sense for TSOs to look at additional ways to work in partnership. Methods of doing so include mergers, tendering consortia, and sharing back office services. Whilst acknowledging the Sector's independence, there may be scope for Administrations to encourage more collaboration. Possible actions include:

- Build in a requirement to collaborate into grant conditions and/or Service Level Agreements (e.g. for core funding)
- Mainstream collaboration between TSOs into service planning (e.g. housing association development consortia - Wales)
- For public service contracts, encourage commissioners to provide practical help for TSOs to form consortia and to bid for contracts
- Promote bulk purchasing, joint work on service design, and sharing of resources and best practice by infrastructure bodies.

**How can administrations work with the third and public sectors to (i) overcome barriers to third sector involvement in delivering public services?, and (ii) maximise the third sector’s potential for identifying and addressing social challenges and influencing policy?**

- Encourage use of community benefit clauses in public sector contracts
- Arrange training for public sector procurement officers to increase understanding of what social enterprises and other TSOs can deliver, and of how to make them aware of tendering opportunities
- Work with public and third sector partners to identify innovative practice, and sponsor events to promote good practice (e.g. Scotland’s hosting of the first Social Enterprise World Forum and sponsoring of international study trips involving social enterprises and Guernsey mainstreaming collaboration into service planning at their annual planning day).

**(iii) VOLUNTARY AND COMMUNITY ACTION**

*Issues:*

- (a) How can administrations support the third sector to engage and involve socially excluded groups as volunteers, to up-skill those who have lost jobs, and those far away from the labour market?
- (b) How can the third sector support and empower local people to take the lead in developing and regenerating their communities?

*Background:* Administrations fund or support a range of programmes to encourage more volunteering by all people aged 16 and upwards, and are keen to raise the status of volunteering. Volunteering is a recognised way of encouraging wider active citizenship, and involvement in community development and/or community regeneration. Volunteering is a long-established ‘stepping stone’ for helping recently unemployed people, and others who have been economically inactive for a long time, to find employment.

**How can administrations support the third sector to engage and involve socially excluded groups as volunteers, to up-skill both those who have lost jobs, and those far away from the labour market?**



- Use grant programmes to develop opportunities for 'hard to reach' groups such as long term unemployed, refugees and asylum seekers, Black and Minority Ethnic groups, and disabled people, e.g. (Office of the Third Sector - Volunteering for All and Goldstar programmes)
- Promote good practice to volunteer involving organisations on recruiting volunteers from socially excluded groups, (e.g. Isle of Man initiative with Social Services users)
- Encourage larger employers to offer advice and mentoring to unemployed people, as evidence of their commitment to corporate social responsibility
- Use major sporting events (e.g. 2012 'Personal Best' programme) as a motivator to encourage people furthest from the labour market into accredited skills training, by linking the training to the opportunity to become an event volunteer
- Remove the barriers to formal and informal volunteering; N.B. re-examine the relationship between volunteering and benefits, and amend guidance as needed, e.g. new DWP guidance on volunteering and benefits.
- Continue to strengthen the volunteering infrastructure, i.e. Volunteer Centres, websites and other portals for volunteering opportunities. (e.g. OTS and Welsh Assembly Government support for youth volunteering advisors in all local authority areas and the work of the Association of Jersey Charities)

**How can the third sector support and empower local people to take the lead in developing and regenerating their communities?**

- Develop and implement empowerment programmes enabling deprived communities to determine and act on their own priorities. (e.g. Communities First in Wales)
- Provide signposting assistance and information on community development best practice, training and research
- Ensure staff have access to and are encouraged to take part in community development leadership training and in continuing professional development
- Support and mentor volunteers and community activists to work to key community development principles, and Occupational Standards
- Develop understanding and information sharing between community development and regeneration practitioners, through exchanges or short term learning placements.
- Work with the public sector to ensure a balance between the need for community development to be informed by relevant skills and expertise, and the need to keep the central decision making rooted in communities.

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## **Key questions**

Arising from the above, BIC Ministers are invited to discuss these issues using the following broad questions:

- 1) How can administrations help the third sector to respond to the social impact of the current economic downturn?**
  
- 2) How can administrations work with the third and public sectors to overcome barriers to third sector involvement in public services, and to promote new ways of working such as social enterprise?**
  
- 3) How can administrations support the third sector to engage and involve socially excluded groups in developing their communities including executing leadership and decision making in community development?**

## **Conclusion**

Following discussion, Ministers may wish to instruct the Officials Group to amend the forward work programme and/or include some additional tangible outcomes, possibly in terms of joint research, or good practice advice, and consider any other specific roles for the BIC on this theme.

## Annex 6

Social Research

Research Findings

No. xx

### **Third Sector Approaches to Bridging the Distance from the Employment Market for People with Multiple and Complex Needs**

Julie Clark, Jo Ferrie and Nick Watson – University of Glasgow

Designing and implementing policy to meet the needs of people with multiple and complex needs is receiving increasing attention. This report presents evidence drawn from a range of publications on how the third sector have engaged with and supported people facing multiple and complex needs, on their journey to employment. It draws on literature published over the last 5 years from the UK, the EU Australia and North America. The objectives of the review were to document what the literature indicates about the most effective ways to support people facing multiple and complex needs are; to give examples of good practice, identify the role of volunteering and to describe what outcomes have been evidenced in respect to successful approaches by third sector organisations in bridging distance from the employment market.

#### **Main Findings**

- There are a very extensive and broad-ranging array of projects aimed at helping people with multiple and complex needs (MCN) into employment being delivered through the third sector in the UK and further afield.
- Evaluation of these projects is difficult and there are no simple criteria for judging effectiveness. Simply looking at employment statistics or other hard measures is not suitable. Other parameters, such as inclusion, empowerment and sense of well being are very difficult to measure and evidence. Many of the projects are evaluated on a short-term basis and there is a paucity of longitudinal studies in this area.
- Nevertheless, available evidence would suggest that the ethos of the organisation is more important than the method they adopt in helping clients. Successful programmes are those that: address multiple need; take a person-centred approach; are culturally sensitive; include elements of peer support and volunteering; are flexible, and work with employers as well as clients. Successful programmes also have well developed transition policies to move clients on, to either competitive employment, volunteering or further employment training.

- All these are areas where the third sector is very strong. Not only are these organisations often smaller and more adaptable, they are also often well connected with the local community and are aware of their local populations and the needs of their local labour markets.
- Although most studies recognised that the 'deep need' categories often co-existed and that people had multiple needs, there is still little evidence that employment programmes recognised the complexity of need, especially where people have what might be described as very deep need.
- Little attention has been paid to meeting the needs and concerns of employers.

## **Multiple and Complex Needs**

Multiple and complex needs are defined as interlocking needs which cross more than one social policy arena. These can lead to limitation on opportunity for participation in society. MCNs often coincide with poverty and stigma, and span health and social issues. Access to employment is one area that is particularly relevant to people with MCN.

MCNs are a particular issue for the state and the third sector because of the breadth and depth of need faced by each individual and the challenges they place on services and service provision. The cumulative impact of breadth, deepens the need experienced and because they cross traditional boundaries, challenges the response by service providers. There is evidence to suggest that institutionally segregated service systems do not satisfactorily respond to people with complex need.

The economic downturn is likely to increase the number of people who could be defined as having MCN, as poor mental health and poverty are experienced by more people. Further the downturn has impacted negatively on the financial resilience of third sector organisations.

### **Method**

A strategic (where expert knowledge was used to prioritise known and influential papers) as opposed to systematic approach was adopted for this evidence review. Key informants with knowledge of the issues were consulted. This was followed by an exploration of both grey literature and peer reviewed primary and secondary academic literature from 2005 onwards. A range of internet search engines were used in this section of the research. Research concerning adults of working age was the main focus of the review, although evidence relating to life course and transitional issues was also considered. The report draws on literature from the UK, EU, US and Australia.

### **Findings**

Whilst there is a very large amount of literature on this subject area there is little that is directly related to employment pathways through the third sector and what exists appears to be tangential and oblique. This report focuses on the two best evidenced areas; mental health and skill learning and literacies. It also presents findings on working with people with deep need and support and interventions with employers.

### **Mental health**

Mental health is a cross-cutting issue which has a bearing on many groups with MCN, creating both a breadth and depth of need. Poor mental health keeps people out of work, whilst stress, depression and anxiety are the cause of more lost working days than any other work-related illness. Mental health problems cover a range of conditions, from mild to severe, with very high prevalence. There are a large number of organisations providing employment support in this area.

Volunteering has been a popular method in the third sector to engage people with mental health problems in work. However, evaluations of the success of volunteering projects are not very positive. There can be a stigma around volunteering work (as if the individual is admitting that they are not equal to paid work) and a positive experience in a voluntary placement may not give individuals the skills and confidence they need to actually progress to work. Volunteer programmes, have had most success when supporting younger people. More rigorous evaluation of volunteer programmes is needed.

Peer support is another popular strategy, and has the advantage of encouraging people into employment as they operate in a culture that actively employs people with mental health problems (as peer mentors). Rigorous evaluations of such programmes are limited. Some evaluations have highlighted negative consequences to peer support that occur when mentors blur their relationship and undermine their role as service provider.

Successful programmes need to attend to some extent to the medical, psychological and social barriers faced by people with mental health problems.

There are a range of specific approaches to providing employment experiences for people with a mental health problem. These include the use of social enterprises, and supported employment schemes where individuals are placed in mainstream employment.

### **Skills, Learning and Literacies.**

Issues with literacy and numeracy skills compound other issues defined as MCN. They are frequently grouped together under the heading 'literacies'. What it means to have compromised literacies will depend upon the social, cultural, economic and political contexts. As well as being able to read or count, literacies enable access to the internet, managing money, applying for benefits, loans and jobs, cook a meal from a recipe and even vote.

People who do not have English as a first language may be unable to compete against those more fluent in English, or with UK qualifications. People with low literacy skills tend to avoid training courses assuming that there will be a written basis to their learning or their evaluation. Thus they tend not to benefit from courses that promote vocational skills as well as those that promote literacy skills.

Self-advocacy is a successful route to aid individuals to improve literacies and gain employment. This is because choosing the right training course, having the mindset needed to learn and being empowered enough to tell others what they need, often requires a level of advocacy. Advocates can provide practical and emotional support by helping find classes, enrol and accompanying them to the first session. From this basis, skills in self-advocacy grow and learning is enhanced.

Peer support has helped learners in literacy programmes by providing a supportive learning environment, a fun environment, and sustained interest.

Learning centred planning uses knowledge about what environments best aid learning, to provide effective initiatives. Often this involves understanding the needs

of the client group well, and responding to their requests for particular learning times and spaces.

Client consultation is more user led, allowing clients to determine how learning occurs often because they are involved in the management of the initiative. In practice, high quality learning centred planning programmes may look similar to client consultations.

## **Deep Need**

In this section we look at how the third sector has tackled the employment needs of people who misuse drugs and alcohol; offenders, young offenders, sex offenders and homeless people.

Although most studies recognised that the 'deep need' categories often co-existed, there was little evidence that employment programmes recognised the complexity of need. Organisations tended to focus on one area of an individual's life, such as drug rehabilitation, or offending or homelessness.

Individuals defined as having 'deep need' often have issues to overcome, before unemployment can be tackled. For example, those individuals who have a drug or alcohol addiction must control their addiction before a job is a realistic aim.

Successful programmes include elements of peer support and volunteering, are overarching in their approach and work with employers as well as offenders.

Programmes which used peer support were perceived to be more trustworthy by clients. Initiatives are most successful if they have strong communication and collaboration with other programmes in the area, with employers and with Government funded organisations, such as job centres.

Stable employment reduces the risk of re-offending. Offenders need to gain relevant experience during their sentence. Early attention needs to be given to skill training and these skills need to take into account the local labour market.

Sex offenders face multiple barriers to employment. There are statutory barriers, perceived (and actual) risk of employing someone who has served a sentence to other employees and to the reputation of the business, and limited roles that can be performed.

For homeless people the transition to employment is also problematic. Initiatives that push homeless people into full time employment are often unsuccessful, rather a more gradual transition is required, with smaller steps taken.

Unpredictable funding issues compromised the survival of programmes and what they could achieve.

## **Employer Support and Interventions**

In preliminary consultation with informants for this current study, the role of employer support and intervention formed a key theme with regard to how third sector

organisations could support people with MCN. This is perhaps the least developed area of this topic.

Employers were reluctant to employ people with MCN because of a fear of them being problematic, fear of the risk to co-workers and the fear that the media could spin a negative angle on the employment of people with MCN (which could in turn have a deleterious impact on sales or integration in the local community). These fears are particularly prominent with concern to sex-offenders.

There is evidence that disabled people's abilities are underestimated thus excluding an important and productive workforce. The third sector can play an important role in providing accurate information here, and facilitating placements so that employers can know the value of potential employees.

Work placements allow people with MCN to receive on-going support as they work, contributing to a more successful transition into work. Further it gives their co-workers the chance to work alongside people with MCN to recognise that excluding people is a result of stigma, and largely unjustifiable.

This document, along with full research report of the project, and further information about social and policy research commissioned and published on behalf of the Scottish Government, can be viewed on the Internet at: <http://www.scotland.gov.uk/socialresearch>. If you have any further queries about social research, or would like further copies of this research findings summary document or the full research report, please contact us at [socialresearch@scotland.gsi.gov.uk](mailto:socialresearch@scotland.gsi.gov.uk) or on 0131-244 7560.



## Annex 7

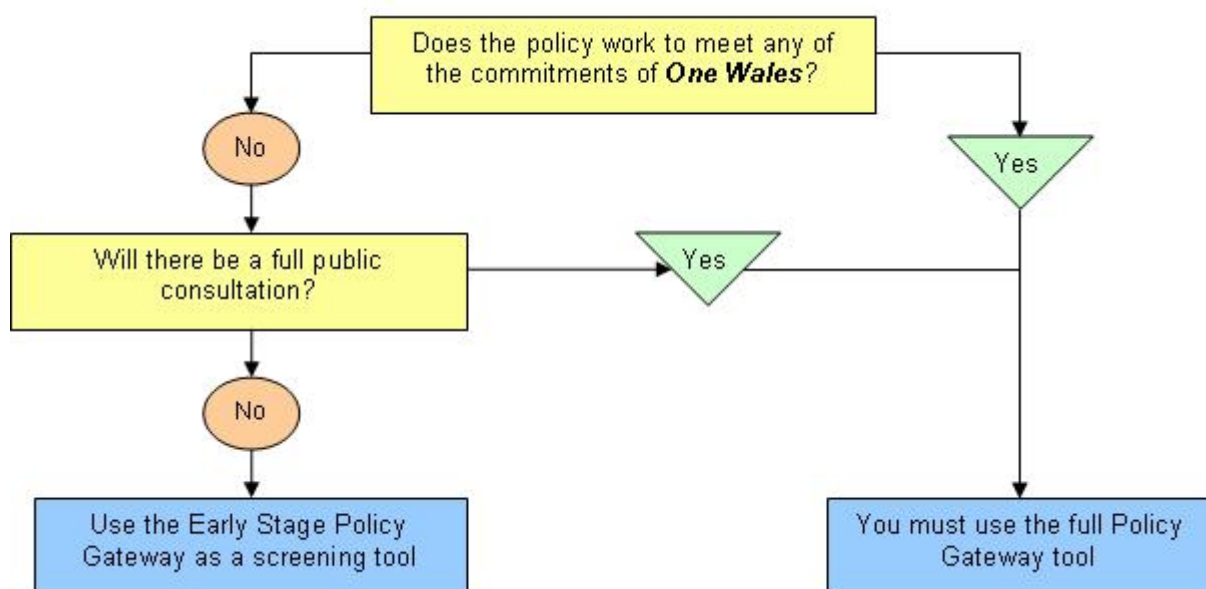
### Welsh Assembly Government - Policy Gateway Tool

The Policy Gateway process is designed to ensure compliance with statutory obligations, and bring people representing different areas of government together.

This allows discussions on opportunities to join up with other work and look at ways of making a good policy even better. When used well, the Policy Gateway will enable you to consider all the potential impacts of your policy.

#### Do I need to use the Policy Gateway process?

The following decision tree should help you decide if you need to use the Policy Gateway Process.



#### What does the process involve? What do I have to do?

The main element to the process is the Policy Gateway Integration tool. The step-by-step guide below shows the stages you need to work through when using the tool.

It is important to remember that the Policy Gateway is not merely filling in a form. It is about embedding the principles of joint working and reaching a consensus with colleagues across departments. By bringing together a diverse range of viewpoints and policy experience, we will be able to realise new opportunities and create sustainable policies.

#### Policy Gateway - Early Stage

The benefit of an early session is that you can easily identify the areas where your policy can be developed to have the most impact, and where potential negative

impacts can be avoided - long before potential problems become embedded in the policy.

The tool should be completed as much as possible by the policy lead. Hyperlinks are provided in the document as pointers. The form can then be e-mailed to an agreed list of participants (one from each of the One Wales chapters), and key internal and external stakeholders for comments. Key guidance is available from hyperlinks on the form.

If needed e.g. a particular cross-cutting issue arises, a one hour meeting can be arranged with the relevant staff to discuss these points, including joining up of work, and agreeing which stakeholders need to be involved.

From discussions with previous users of the Policy Gateway, it was their opinion that policies which do not need to go through the Policy Gateway process would benefit from undergoing the exercise like the Early Stage.

### **Policy Gateway - Final Stage**

If you need to hold a Final Gateway session, you should keep the following points in mind, as they might affect your timescales:

- ◆ Final Stage sessions require some participants at Head of Division level. Booking early can make sure you get the people who can really help you. Also, consider asking the Director's EA to issue invitations
- ◆ A neutral chair must be agreed i.e. not from the Division of the policy lead
- ◆ The session summary sheet and covering note need be included in the consultation document.
- ◆ The summary sheet and the full session report (minus Ministerial advice) needs to be published on the Assembly Government Internet site.

The commitment means that the process is undertaken on the final consultation document. If you are not happy with the results and need to adjust aspects of your policy, you will be required to hold a further session.

### ***Getting the right people involved***

The Policy Directors agreed that all Final Stage Policy Gateway sessions need to be attended by representatives at Head of Division level. This makes it even more important for you to plan the Gateway properly and well ahead to give as much notice as possible. The important thing to remember is to have all One Wales policy areas represented at your session.

It is assumed that all Heads of Division are competent in the tool. The list of officials below SCS level who are trained in using the tool, is attached below.

### ***How is policy appraised? What happens during a session?***

The group appraising the policy work through each subsection of the tool and considers how the policy contributes to, or impacts upon, each objective. Where

necessary, and if possible, suggestions should be made on how the policy could be adapted to have a more favourable contribution and impact. This should mean that the process is not judging whether the policy is good or bad, but whether it is working as well as it can to deliver the Assembly Government agenda. It is important to keep in mind what the policy seeks to achieve. The tool isn't designed to make a policy deliver everything, but rather to maximise the policy's benefits wherever possible.

Each objective should be considered and the group should reach a consensus score for how the policy, in the current form, impacts on the objective. The score uses the following scale:

**U** - Undermining - the policy significantly undermines this objective

**N** - Neutral - the policy does not, or cannot, contribute to this objective

**P** - Potential - the policy does not fully explore the potential to contribute to this objective

**F** - Fair - the policy makes some direct or significant indirect contribution to the objective

**G** - Good - the policy makes a significant positive contribution to the objective

### ***What do I need to do after a session?***

During the Gateway session you will have completed a summary sheet of the discussion. This is the main document that you need to include as part of your consultation.

When you use the process during the development of the policy, the tool will show you where you might need to do further work. This could include finding evidence, talking to others about how to resolve potential impacts and conflicts, or involving people that have so far not been involved. It is also very likely to show you how you can improve the policy.

You will need to get Ministerial approval for the results of the session in the context of your consultation. Your Minister may ask that changes be made to the consultation document to take into account the suggestions in the session summary. If this is the case, you will need to hold a further session on the amended consultation document, which will need further Ministerial sign-off.

## **Annex 8**

### **Developing the Sector - Current & Future Challenges**

#### **Purpose**

The purpose of this section is to map the drivers for change that will affect the way that the third sector develops and the consequent ways in which they affect the sector's ability to help build stronger, more cohesive and sustainable communities (thereby addressing the social inclusion / exclusion agenda).

The aim has been to capture the major challenges that the third sector faces across the British Isles, which together illustrates the environment in which we and the sector might operate in over the next five years.

#### **The main themes facing the countries of the BIC**

The drivers are to manage:

1. Increased demand and reduced income.
2. The impacts of information technology.
3. Building sustainable communities.
4. Social and political change.
5. Third Sector and Government relationships.

Each of these themes is examined separately but in reality they will interact with each other to heighten their impact. The sum total of these drivers is an overwhelming momentum for change that will affect how third sector organisations organise and sustain themselves in the short to medium term.

We have focussed on four countries: England as the largest, Wales and Scotland as 'intermediate' size and the Isle of Man as one of the smallest countries. The themes are common to all but the solutions may differ not least because of the scale of the sector and the types of population they serve, as well as cultural and historical differences. This 'common diversity' is a positive creative force across the British Isles.

We shall look at these themes as opportunities but it will be necessary to look at some as threats to the resilience and sustainability of the third sector and the communities they serve. Governments may need to rethink how they support and interact with the sector so that the potentially negative impacts are reduced and the potential benefits are maximised. In short, the member countries of the British Isles want more resilient and sustainable communities that are better able to cope with economic, social and environmental 'shocks'. Each country recognises that there is a vital role for the third sector in helping to realise these objectives.

## Summary of themes and analysis

### 1. Increased demand and reduced income.

Indicators give a mixed view of the impact on third sector organisations with many fearing more adverse impacts than has been the case. However, the rise in demand related to the social effects of the recession is clear and consistent across the countries and the levels of confidence are brittle and have a short horizon. Income of all types – donations, investment income and grants – has fallen measurably. The ‘double-whammy’ of rising demand and falling income is evident.

The third sector recognises the need for Governments to look very hard at public expenditure and many expect that funding from the public purse will be reduced. Equally there is a need to ensure that reductions in public expenditure do not leave those communities most in need ‘high and dry’. Many administrations recognise the vital role that the third sector can play in relieving the effects of the recession and it is hoped that changes to funding regimes will be developed collaboratively. The third sector has great potential to assist with social and economic regeneration, often in areas where the state cannot intervene. Third sector organisations of all sizes have a vital role to play as part of the blend of provision with public and private services.

### 2. The impact of information technology.

For some, a threat but for others with the right skills, there is a great opportunity. Information Technology continues to be both a worry – costs of equipment and training, keeping pace with the changes – and a source of inspiration – new and exciting ways of engaging with people, raising awareness and campaigning. How firmly the sector can grasp the opportunity is unclear and given the likely budgetary pressures there may be internal pressures to prioritise service delivery over investment in IT.

However, making best use of the internet need not be costly and many options cost only the time needed to make use of them. Government’s role in supporting the sector needs some development but the digital inclusion agenda provides a clearer case for intervention than most; the sector is well-placed to work with communities that have poor access to the internet by providing facilities and training. Harder to gauge is the extent to which behaviour will continue to change as people take part in more spontaneous activities organised via the internet, and do less formal, membership-driven voluntary work. Will formal, organised volunteering decline?

### 3. Building sustainable communities.

There is a feeling of this being the time to rebuild communities and local economies in more sustainable ways, and that the third sector has an important role to play in raising awareness, modelling more sustainable behaviours and in initiating local projects. There are indications that communities are willing to take an active role in reducing their carbon footprint and in conserving important local resources. As energy and food security issues become more urgent, the potential of the sector to mobilise collective effort presents a potent option for administrations. Transition Towns offer an example of the holistic approach to developing more resilient communities, as they combine a range of initiatives that consider sustainability ‘in the round’ – economic, social and environmental, as well as a role in democratic renewal.

The large amount of good practice in the third sector needs to be organised under a clear vision of how communities will thrive in ways that secure and then grow more sustainable social, environmental and economic wealth.

#### 4. Social and political change.

The potential impact of political change in many of the British Isles is creating uncertainty as third sector organisations try to gauge what changes there could be to public spending and to other aspects of their relationship with the state. Possible changes to a more devolved way of governing could bring opportunities for third sector organisations that can help to articulate local needs and encourage greater public engagement in decision-making processes.

The drive towards localism, community ownership and greater 'commonwealth' will require changes to the ways that local Governments works but also to how third sector organisations interact with the communities they serve, including challenges to all on accountability. Third sector organisations can play a role in enabling greater community engagement, but will need a strong direction to follow with clear locally-supported objectives.

Society seems increasingly willing to accept that Governments cannot and should not deliver all services and that people need to take more responsibility. The third sector can help national and local Government present and manage these opportunities holistically, increasing the range and depth of change.

#### 5. Third Sector and Government relationships.

The four preceding themes all require a robust relationship between Government and the third sector that recognises the strengths of each party, creating an environment where all feel valued but that also recognises the different contexts that each has to work within. The financial relationship will need to reflect openness, transparency and accountability, now more than ever. Both Governments and the third sector will need to be creative but fair in establishing funding arrangements that give value for money and provide sustainable returns.

The third sector needs to operate in an environment with appropriate and proportionate legislation and regulation. Legal forms should be an enabling force and not a barrier to public service reform and accountability. If there is willingness to work together to make the most of available resources then there is potential to have a significant impact on the quality of life of many communities.

### **Increased Demand and Reduced Income**

The recent global financial crisis and the consequent recession that has hit all administrations in the British Isles, and is also having an impact on third sector organisations through reduced income and increased demand for services<sup>2</sup> – a

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<sup>2</sup> This learning was first apparent in late 2008 as the OTS consulted with strategic partners and also with medium and small size groups and organisations. The evidence helped form the Targeted Support Fund.

'double-whammy' that threatens the viability of third sector organisations of all types and sizes. Some large charities have made redundancies and there is a belief that more will be made in the coming months as the full effect of falling income hits home<sup>3</sup>, with many expecting income to fall in 2010 – 2011 as public funding feels the full effect of reduced tax receipts. Whilst there has not been the catastrophic collapse that some warned of, there have been significant financial pressures for third sector organisations of all types and sizes.

A recent report by the National Council for Voluntary Organisations "The State and the Voluntary Sector" sets the context: "following over a decade of steady growth the voluntary sector is now a significant economic and social force in the UK". The public purse a major source of grant and contract income for many organisations and whilst existing programmes have their funds committed for current spending periods, insecurity about funding is heightened when coupled with possible political change and consequent new policy directions. There is recognition that there will be strong pressure to look again at spending plans. Indicators are volatile: many charities expect current programmes to be either curtailed or stopped altogether<sup>4</sup> but the third sector in Wales remains positive, with evidence showing that the sector is less pessimistic about the future than it was in February 2009. In Scotland, the third sector has been consulted on the Scottish Government's 2010/11 budget, and had a continuing strategic dialogue with Ministers and the Cabinet about how best to work together in the context of the recession.

According to a Charity Commission report, 17% of charities had experienced rising demand for their services and 69% of charities had experienced falling levels of incomes from investments, 31% reported a drop in income from grants and 26% experienced a decrease in fundraising income. Given these mixed messages, perhaps the outlook can be summarised as 'creeping optimism'; the immediate short-term looks stable with less redundancies than expected, but beyond that things are uncertain. The Governments of Wales, Scotland, the IoM and England have all developed and implemented plans to help alleviate the impact of the recession on third sector organisations but no Governments are able to completely insulate third sector organisations.

Changes to funding regimes remain speculation but organisations are planning for the possibility of cuts. The implications for the future are reduced capacity to deliver in the short-term (as need also increases), and in the medium term a potential set-back to the sector as a whole as it looks to build on the success of recent years of increased income and increased levels of employment. In turn, this could impact on the ability of the state to deliver relief for recession-hit communities and individuals, and also put more pressure on existing public services. Longer-established cost pressures remain in place as increased professionalism and training programmes will increase pressure on costs and undoubtedly there will have to be **amalgamations, co-operation and collaboration** for many organisations to survive.

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<sup>3</sup> E.g. Third Sector Magazine, 10<sup>th</sup> & 11<sup>th</sup> November 2009.

<sup>4</sup> Source: various interviews and meetings with Third Sector organisations, August to November 2009.

What is clear is the need to reconcile an increased role for the third sector , especially in relieving the social effects of the recession and supporting regeneration, with the need to reduce public spending (a major source of funding for many third sector organisations), and reduced charitable giving. Third sector organisations bring many service delivery benefits – volunteer time and community engagement for example – but do not have limitless capacity to absorb increased demand for services. Their potential to help build more resilient economies, especially at a local level, is being encouraged but not fully exploited. When combined, these factors – increased demand, service delivery strengths and increased third sector entrepreneurial activity – present a good opportunity for British Isles’ Governments and the third sector to work more closely together.

For example, in the IoM, the third sector has changed considerably over the past decade as evidenced by the increase in the number of registered charities, the substantially increased level and range of activity, funds generated and voluntary and paid staff engaged. It is becoming increasingly recognised as being, large, diverse and professional, an economic and social force for change and larger than many private sector businesses.

### **SNAP SHOT – Isle of Man**

Over the past two decades the Third Sector and Government have developed in times of high economic development with global financial sustainability and GDP growth. This is all changing and the Third Sector is evolving as the **island faces times of economic uncertainty**. It is generally felt that the sector will look significantly different after the global economic downturn because of changing patterns of public spending, with cuts and moves to larger contracts.

Organisations will have to adapt to this changing scenario and work together more effectively and efficiently. There will be opportunities with an anticipated increase in demand for services and a greater appreciation of the role they play.

The use of the Third Sector in developing strategies and in developing and delivering services will continue and accelerate as the IoM Government and the island’s community realise the power of the sector, its ability to work collaboratively with Government , and the **strong economic benefit** which it can bring to the table.

Given the current global economic climate, there will undoubtedly be an increased role for the sector given its ability to deliver at a competitive price, within budget and on time.



## The Impact of Information Technology

The impact of information technology on the third sector and on society more generally can be divided into two main areas – the need for **adequate IT equipment and skills**, and the need to understand and exploit the ways **information technology can change behaviour**.

**Digital inclusion** will become a much more pronounced issue and the third sector will play an increasing role in this regard and this will change the way in which they interact with the community and the community with them, but only if the sector is able to invest and then use the technology. This could lead to increased pressure for speedier services in the context of increased expectations, especially as Governments press on with efforts to make more service information available online.

There is a growing awareness amongst policy makers that the traditional ways in which people associate are changing. **Membership** of groups, clubs and organisations is in decline and the demographics of membership are aging. Reduced membership brings reduced income from fees, and a greater reliance on a committed few to meet the needs of the many. How well prepared the sector is for developing new models for attracting and sustaining membership is a moot question – new ways of associating are gathering pace but they do not capture income in the traditional way. The challenges for organisations are largely technological but they also need to understand the underlying motivations of potential supporters if they are to appeal more widely and for longer.

However, for many third sector groups income from membership is either irrelevant or a minor issue – the challenge is more about **securing and retaining commitment** that translates into reliable, regular volunteering and subsequent **organisational capacity** e.g. in recruiting trustees.

There are a growing number of internet-based social interaction web sites that work to allow people to connect easily with each other in order to communicate, view music and video, see pictures and share their thoughts – a kind of notice-board approach to communicating, in a very public space. Some third sector organisations are proving adept at combining and linking different media in order to **communicate with people and mobilise resources**.

IT-aware organisations are combining Facebook with Flashmobs, Twitter and YouTube to organise support and campaigns, reaching new audiences but in a different way to more traditional community action e.g. organising a march. These mediums do not always replace the more traditional ways of protesting but increasingly complement them by sharing information very quickly. Most mobile phones can access the internet and it is quite easy to update just one web site and then have links to the others automatically updated, with fresh information ‘pushed’ to you mobile, anywhere in the world that has a signal. There may be no organisation behind the action, for example Flashmobs are designed to be transient and spontaneous. Access to the web sites is free and there are no bars to access other than a valid email address and a password.

A characteristic of such web sites is the speed with which they develop, grow and then decline – they are vulnerable to ‘the next big thing’ doing things faster and better, and linking with other media in ever quicker and easier ways. However, they are clearly **changing behaviour** with regard to participation. They may encourage more community action, not less, but in ways that are harder to ‘pin down’ to an organised group or place. It is too early to say if these new phenomena are leading to more members for organisations, but crucially **membership is not required** in order to participate.

### **SNAP SHOT – England – Online Campaigns**

PETA’s Birdie song Flashmob in Oxford Street, October 2009

PETA was looking for 100 volunteers to participate in a flashmob-like event on Saturday, 3rd of October, to urge Selfridges to stop selling foie gras. Each participant was given a duck mask to represent the ducks and geese that are used to make foie gras sold at Selfridges.

The event involved chanting to urge Selfridges to drop foie gras to the tune of the Birdie Song and doing the kind of dance that volunteers could see online at YouTube. Facebook was used to organise event and Twitter was used to help promote it.

The idea behind a flashmob is that the event or activity is a one-off; there is no commitment to further events or activity, no need to register a name or address – just learn the required action on the internet, turn up, perform and then leave.

The event was successful in getting Selfridges to stop selling foie gras. There is no information on whether or not the social media approach attracted more members to PETA. The flashmob-style action attracted about 30 participants.

### **Building Sustainable Communities**

Climate change is an agenda that has reached new heights as a priority for all sections of society<sup>5</sup>. Whilst the impacts may not be felt as immediately or urgently as the effects of the recession, there is a feeling of this time being an opportunity to rebuild communities and local economies in more sustainable ways. Programmes such as the **Community Shares**<sup>6</sup> action research programme have seen a high level of interest from communities that want to protect or develop local assets for the longer-term benefit of local areas. Elsewhere, community finance initiatives such as

<sup>5</sup> 97% of English local authorities have chosen climate change as criteria in their Comprehensive Area Assessment.

<sup>6</sup> Funded by OTS, the programme works with other Government departments to raise the profile of social enterprise – [www.communityshares.org.uk](http://www.communityshares.org.uk).

'community currencies'<sup>7</sup> have grown in popularity as communities seek to capture and retain local spending power and ultimately reduce their carbon footprint.

Underlying all of this will be the overall population growth and the **demographic trends** leading to increasing demand with people living longer and surviving disability and trauma. The increased numbers, proportion and longevity of older people is particularly pronounced in the IoM but is a challenge for all the British Isles. Demand for energy will increase, as well as for other resources such as water and food growing capacity. Concerns about energy and food security are exacerbated by these underlying pressures.

Third sector organisations have already proved themselves capable of mobilising communities and of changing behaviour. The opportunity is for third sector organisations to play a far stronger role at local level in raising awareness, providing opportunities and in promoting more sustainable living. Initiatives such as England's **Every Action Counts** have sought to harness the energy of the sector to model more desirable behaviours in the way they manage their own resources and the resources of their local community and environment. It has also been effective in gaining the support of national third sector organisations to reduce their adverse environmental impacts and in encouraging their members to look at how they can change.

But environmental sustainability does not exist in a vacuum; it needs to link with economic and social change in order to become deeply rooted. The better use of resources, especially energy, has a very direct economic impact on an organisation and if the changes that can be made by third sector groups can also be encouraged within individuals, families and communities then the potential for significant change is a strong possibility. Transition Towns<sup>8</sup> offer an example of the holistic approach to developing more resilient communities, as they combine a range of initiatives that consider sustainability 'in the round'.

For example, in the Isle of Man environmental sustainability, wildlife protection and countryside management have been recognised as topics for engaging potentially excluded people with social care and support needs. The Government and third sector are exploring how Care Farms can provide activities which build confidence, self reliance and community spirit, and recognition of their Island's natural beauty. Potential for the development of social enterprises could facilitate job creation and self sufficiency. Thus environmental, social community and economic sustainability are inter-dependent and mutually supportive.

The way forward is for policy to reflect the need to consider the full spectrum of long-term impacts and recognise that actions that harm the environment are most likely to also produce economic and social damage as well. The large amount of good practice in the third sector and also elsewhere needs to be organised under a clear vision of how communities will thrive in ways that secure and then grow more sustainable social, environmental and economic wealth. Arguably, all aspects of

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<sup>7</sup> Such as the Lewes Pound or the Brixton Pound.

<sup>8</sup> [www.transitiontowns.org](http://www.transitiontowns.org)

building more sustainable communities sit in the context of stronger democratic structures.

## Social and Political Change

In England, there will be a general election by June 2010; the Welsh Assembly Government and Scottish Government are also going to the polls in 2011. In the Republic of Ireland the Lisbon treaty has been approved in a referendum. Politically, a number of the administrations will be entering a period of hiatus and uncertainty. The chief driver for the uncertainty is trying to gauge what changes there could be to public spending, and to what extent. Big political changes could see clearly different approaches to the third sector, not least in the use of language but also in how the state relates to charitable bodies – locally, regionally and nationally. For example, some have talked about ‘a smaller state complemented by a bigger society’<sup>9</sup> in which charities will play a bigger role in meeting societal needs. The recent ‘Smarter Government’<sup>10</sup> paper in England talks of a greater role for mutuals in the delivery of public services and the development of ‘sequential tests’ to determine the best delivery mechanism. If these changes are enacted then they will bring opportunities as well as challenges, not least in how we structure and deliver services.

What is evident in England is a consistent drive towards **localism**, the term used to encompass a range of changes that will put more decision making opportunities into the hands of local communities. Communities will be encouraged to take greater responsibility and be granted greater autonomy in how their taxes are spent and their services are delivered. Greater community ownership is to be encouraged whereby assets of real value are held by the community for community benefit in perpetuity. This return to the ‘commonwealth’ will require changes to the ways that local Government works but also to how third sector organisations interact with the communities they serve. Third sector organisations may be seen as a ‘proxy’ for community involvement but are they truly representative? They do offer a clear range of legal structures that can manage community ownership, and can play a significant role in articulating needs and organising voluntary effort.

There are some signs that these changes will be welcomed by communities e.g. Transition Towns and the increase in IPS registrations<sup>11</sup> but the extent to which such initiatives will work in less engaged communities is unknown. Third sector organisations can play a role in **enabling greater community engagement**, but will need a strong direction to follow with clear locally-supported objectives.

In the Isle of Man the Third Sector/Government liaison steering group will consider how the varied and changing communities can be better integrated and galvanised to develop local solutions to local problems. It will provide leadership and direction and explore how voluntary and faith organisations can provide a bridge to the

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<sup>9</sup> Third Sector online, 11<sup>th</sup> November 2009.

<sup>10</sup> Putting the Frontline First: Smarter Government: Chief Secretary to the Treasury December 2009 ISBN 978-0-10-177532-8

<sup>11</sup> [www.communityshares.org.uk](http://www.communityshares.org.uk) – typical registration rate is up from 50 pa to c80pa, heading towards 100pa

community for a Government committed to making services more accessible, appropriate and relevant to local needs as determined by those who will use them.

The social environment is increasingly coming to realise that Governments cannot and should not deliver all services and that there needs to be further corporate and personal social responsibility. The third sector is asked to promote the needs of communities and to promote environmental sustainability. The trend for **collaborative working** and for organisations to combine for service delivery and input on a joint basis will accelerate. Alongside this there is considerable confusion in the minds of the public as to what constitutes a “charity” given the diversity of size and scale, the fact that many charities are now incorporated as limited companies and perhaps may best be described as social enterprises, whilst others are more traditional in their composition and role. **Clarity over role and purpose** of the sector needs to be communicated and the term third sector increasingly used to encompass all players.

It is a generally agreed view that the boundaries of the sector are blurred, and becoming increasingly more so, as Governments, which has traditionally seen them as the provider, become more committed to **mixed welfare economies** needing the involvement of and input from public, private and third sector organisations in the provision of services to their populations.

Thus environmental, political and social change will drive significant changes in the third sector of the future which will undoubtedly be different, slimmer, focussed and more professional.

### **Third Sector and Government relationships.**

An essential element in moving forward in the current turbulent economic and social environment is the emerging **robust relationship between Government and the third sector** which recognises the strengths of each party and confirms the belief that voluntary and community sector organisations have a crucial role to play in the reform of public services and the reinvigoration of communities. Such partnerships must bridge individuals and communities within the third sector and Government creating an environment where all feel valued and important complementing and supplementing each other.

The third sector and its constituent parts is becoming an important partner to Governments in all areas but increasingly so in the fields of health, social care and children’s services. Key Government departments - particularly those that deal with Education, Social Services, Health and Home Affairs - recognise the sector provides services to some of the most vulnerable people in society and as such has an important role to play in delivering better outcomes for the community. In addition to service provision the sector has a role and responsibility in advocating for the vulnerable, making their voice heard, ensuring services are developed and delivered proportionate and appropriate to need.

There must be a clear understanding of what we mean by “third sector partnership”. Perhaps the following Welsh assembly Government definition is appropriate:

## **SNAP SHOT – Wales – Government / Third Sector partnership**

A partnership means that the Third Sector:

1. has an equal say with the Welsh Assembly Government about the arrangements by which the Welsh Assembly Government and the Third Sector will work together;
2. will contribute at a formative stage in informing the development of policy and programmes across the Welsh Assembly Government and has its proposals assessed against the same criteria as the public sector;
3. contributes its views on the procedures for the administration of resources and priorities for the distribution of resources for the Third Sector;
4. has access to its own information, training, and capacity building services and resources; and
5. has opportunities to lead in those areas where it is best placed to do so.

The Isle of Man sees a need for **developmental and consultative** relationships and with both partners being seen as equals, committed to agreed ideals and communicating with each other in an environment of respect, understanding, honesty and openness. Dialogue should be constructive and where appropriate challenging but not disrespectful or confrontational. Both sides will need to recognise that there are accountabilities: financial, quality and consistency, legal and constitutional and regulatory. Third Sector will also be seen as champions or ambassadors for particular groups or causes. Government should have liaison roles identified at both political and executive level to encourage partnership working.

In Scotland, The Scottish Government has been developing a series of **strategic partnerships** with national third sector organisations around shared outcomes. This is seen as a key mechanism to allow the third sector to contribute to Scottish Government policy, ensuring that the views and experience of a wide range of organisations are heard. Building on this have been a number of strategic discussions at Ministerial and Cabinet level with third sector partners around working together to support resilience in the sector and economic recovery.

## **SNAP SHOT – Scotland – Joint Statement on the Relationship at Local level between Government and the Third Sector**

The Joint Statement on the Relationship at Local level between Government and the Third Sector was launched in September. This document sets out the principles underpinning the relationship between Government and the third sector and will therefore help and encourage positive partnership working in Community Planning Partnerships and beyond. The statement recognises issues of key importance for the third sector including:

- The fact that that long term contracts can be appropriate;
- The fact that that third sector organisations should not be expected to subsidise services from their reserves
- The need for openness in funding procedures
- The need to keep reporting proportionate to the level of funding

At the same time the financial relationship between the parties will need to reflect openness, **transparency and accountability**. Whilst reflecting value for money the need for third sector organisations to generate surpluses to fund future activities must be appreciated. The full range of funding schemes must be explored and utilised as appropriate including grants, contracts, strategic partnerships, shared funding or other innovative vehicles. Funding arrangements may incorporate matching funding, be specific to a sector or service and reflect flexibility and individuality.

In England, there have been great changes in the relationship between the state and the sector, most evident in the creation of the OTS in May 2006. Expectations have never been higher and, perhaps, relationships have never been better. But there are tensions – the Compact refresh has drawn criticism from some quarters and funding pressures are growing in urgency. There is also a sense of realism that the public purse will shrink in size and therefore third sector organisations expect less funding as almost inevitable.

This might impact on those organisations that have ambitions to expand and to grow their asset base. Reduced options for generating income, restricted or unrestricted, will impact on their willingness and ability to finance growth through borrowing. In recent years, Government has looked to move funding for asset development towards blended lending and grant packages that lend over longer periods than high street banks but still require repayment and allow subsequent recycling of funds.

Using public money in this way will be harder if 'customers' for such investment products are more risk averse.

In the Isle of Man the sector is increasingly looking to full cost recovery when providing services under contract and to ensure that it uses its own funds for those purposes identified by either it or its members and not to underpin or replace statutory obligations. It is also looking for **equal and transparent partnerships** and to be involved in the creation of strategies and the development and delivery of services from inception. Government Departments are looking for very similar outcomes with a committed and professional sector, delivering on time and within budget and with constructive input into developments and strategies.

There is also an identified need for the third sector to operate in a well regulated environment with appropriate and proportionate legislation and regulation specific to the sector suitable for the 21<sup>st</sup> century which illustrates a **well governed and professional** industry which also complies with general legal requirements.

If both Governments and the third sector are under pressure to do more with less, then it is very important that the codes that underpin the relationships are robust, clear and fair. There will be increased implications for both public and third sector s who must work together to find solutions as to how to reduce costs whilst and continuing to deliver quality services, making scarce resources go further and provide services for those most in need on an equitable basis.